

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE J	PAGE OF PAGES 1 3
2. AMENDMENT/MODIFICATION NO. P00001		3. EFFECTIVE DATE 13-Apr-2006	4. REQUISITION/PURCHASE REQ. NO. Q407/48		5. PROJECT NO. (If applicable)
6. ISSUED BY DARPA CMO ATTN: (b)(6) 3701 NORTH FAIRFAX DRIVE ARLINGTON VA 22203-1714		CODE HR0011	7. ADMINISTERED BY (If other than item 6) DCMA CHICAGO 1523 WEST CENTRAL ROAD BLDG 203 ARLINGTON HEIGHTS IL 60005-2451		CODE S1403A
8. NAME AND ADDRESS OF CONTRACTOR (No., Street, County, State and Zip Code) ALFALIGHT INC 1832 WRIGHT STREET MADISON WI 53704-2522				9A. AMENDMENT OF SOLICITATION NO.	
				9B. DATED (SEE ITEM 11)	
				X 10A. MOD. OF CONTRACT/ORDER NO. HR0011-06-9-0006	
				X 10B. DATED (SEE ITEM 13) 29-Mar-2006	
CODE 3DWC7		FACILITY CODE			
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS					
<input type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offer <input type="checkbox"/> is extended, <input type="checkbox"/> is not extended. Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.					
12. ACCOUNTING AND APPROPRIATION DATA (If required) See Schedule					
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.					
A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.					
B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(B).					
C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:					
X D. OTHER (Specify type of modification and authority) Limitation of Funds article					
E. IMPORTANT: Contractor <input checked="" type="checkbox"/> is not, <input type="checkbox"/> is required to sign this document and return _____ copies to the issuing office.					
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.) Modification Control Number: ew arecmo06524 Incremental Funding					
Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.					
15A. NAME AND TITLE OF SIGNER (Type or print)			16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) (b)(6) TEL: 703-696-2434 EMAIL: (b)(6)@darpa.mil		
15B. CONTRACTOR/OFFEROR (Signature of person authorized to sign)	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA (b)(6) BY _____ (Signature of Contracting Officer)		16C. DATE SIGNED 13-Apr-2006	

SECTION SF 30 BLOCK 14 CONTINUATION PAGE

SUMMARY OF CHANGES

SECTION B - SUPPLIES OR SERVICES AND PRICES

SUBCLIN 000102 is added as follows:

ITEM NO.	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
000102	Incremental Funding FFP Incremental Funding for CLIN 0001 FOB: Destination				
				NET AMT	\$0.00
	ACRN AB				\$3,146,158.00
	CIN: 00000000000000000000000000000000				

SECTION E - INSPECTION AND ACCEPTANCE

The following Acceptance/Inspection Schedule was added for SUBCLIN 000102:

INSPECT AT	INSPECT BY	ACCEPT AT	ACCEPT BY
N/A	N/A	N/A	Government

SECTION G - CONTRACT ADMINISTRATION DATA

Accounting and Appropriation

Summary for the Payment Office

As a result of this modification, the total funded amount for this document was increased by \$3,146,158.00 from \$786,045.00 to \$3,932,203.00.

SUBCLIN 000102:

Funding on SUBCLIN 000102 is initiated as follows:

ACRN: AB

CIN: 00000000000000000000000000000000

Acctng Data: 9760400 1320 Q407 P6G10 2525 DFAC 6 5008 S12136 62702E

Increase: \$3,146,158.00

Total: \$3,146,158.00

(End of Summary of Changes)

AGREEMENT

BETWEEN

ALFALIGHT, INC
1832 WRIGHT ST.
MADISON WI 53704

AND

THE DEFENSE ADVANCED RESEARCH PROJECTS AGENCY
3701 NORTH FAIRFAX DRIVE
ARLINGTON, VA 22203-1714

CONCERNING

Surface-emitting Distributed Feedback Laser for ADHELs

Agreement No.: HR0011-06-9-0006

ARPA Order No.: Q407/48

Total Amount of the Agreement: \$4,743,718

Total Amount of Option I: \$1,407,974

Total Estimated Government Funding of the Agreement: \$4,743,718

Funds Obligated: \$786,045

Effective date of the Action: Date signed by Government

Authority: 10 U.S.C. § 2371 and Section 845, National Defense Authorization Act for Fiscal Year 1994, as amended.

Line of Appropriation:

AA 9750400 1320 Q407 P5G10 2525 DPAC 5 5017 S12136 62702E \$786,045

This Agreement is entered into between the United States of America, hereinafter called the Government, represented by The Defense Advanced Research Projects Agency (DARPA), and the pursuant to and under U.S. Federal law.

(b)(6)
(Signature)

FOR THE UNITED STATES OF AMERICA
THE DEFENSE ADVANCED RESEARCH PROJECTS AGENCY
(b)(6)
(Signature)

VP of Research & Dev. 3-27-06
(Name, Title) (Date)

(b)(6)
Agreements Officer
Contracts Management Office 3/29/06
(Name, Title) (Date)

AGREEMENT

BETWEEN

ALFALIGHT, INC
1832 WRIGHT ST.
MADISON WI 53704

AND

THE DEFENSE ADVANCED RESEARCH PROJECTS AGENCY
3701 NORTH FAIRFAX DRIVE
ARLINGTON, VA 22203-1714

CONCERNING

Surface-emitting Distributed Feedback Laser for ADHELs

Agreement No.: HR0011-06-9-0006

Modification No.: P00002

ARPA Order No.: Q407/51

Total Amount of the Agreement: \$4,718,346

Total Amount of Option I: \$1,407,974

Total Estimated Government Funding of the Agreement: \$3,932,203

Amount Obligated by this Action: \$3,146,158

Total Amount Obligated to Date: \$3,932,203

Effective date of the Action: Date signed by Government

Authority: 10 U.S.C. § 2371 and Section 845, National Defense Authorization Act for Fiscal Year 1994, as amended.

Line of Appropriation:

AB 9760400 1320 Q407 P6G10 2525 DPAC 6 5008 S12136 62702E \$3,146,158

The purpose of this modification is to administratively correct the line of accounting found in the previous modification, P00001.

All provisions, terms, and conditions set forth in this Agreement are applicable and in full force and effect except as specified otherwise herein.

FOR THE UNITED STATES OF AMERICA
THE DEFENSE ADVANCED RESEARCH PROJECTS AGENCY

(b)(6)

(b)(6)

Agreements Officer

Contracts Management Office

5/25/2006

(Date)

AGREEMENT

BETWEEN

ALFALIGHT, INC
1832 WRIGHT ST.
MADISON WI 53704

AND

THE DEFENSE ADVANCED RESEARCH PROJECTS AGENCY
3701 NORTH FAIRFAX DRIVE
ARLINGTON, VA 22203-1714

CONCERNING

Surface-emitting Distributed Feedback Laser for ADHELs

Agreement No.: HR0011-06-9-0006

ARPA Order No.: Q407/48

Total Amount of the Agreement: \$4,743,718

Total Amount of Option I: \$1,407,974

Total Estimated Government Funding of the Agreement: \$4,743,718

Funds Obligated: \$786,045

Effective date of the Action: Date signed by Government

Authority: 10 U.S.C. § 2371 and Section 845, National Defense Authorization Act for Fiscal Year 1994, as amended.

Line of Appropriation:

AA 9750400 1320 Q407 P5G10 2525 DPAC 5 5017 S12136 62702E \$786,045

This Agreement is entered into between the United States of America, hereinafter called the Government, represented by The Defense Advanced Research Projects Agency (DARPA), and the pursuant to and under U.S. Federal law.

(b)(6)

(Signature)

VP of Research & Dev. 3-27-06

(Name, Title)

(Date)

FOR THE UNITED STATES OF AMERICA

(b)(6)

(Signature)

(b)(6)

Agreements Officer
Contracts Management Office
(Name, Title)

3/29/06

(Date)

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ATTACHMENTS

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ARTICLE I: SCOPE OF THE AGREEMENT

A. Background

Alfalight, Inc. is proposing to develop surface-emitting distributed feedback (SE-DFB) laser with nearly diffraction-limited beam quality with high output powers. The basic SE-DFB laser has a second-order grating etched into the p-side surface that is over-coated with gold. A patterned current-injection area delineates the contact stripe whereas the grating regions outside the stripe are unpumped. Radiation traveling along the waveguide has two diffraction orders: one for surface emission and a second for feedback. An absorbing over-layer suppresses reflections from the ends of the chip so that all the feedback for oscillation comes from the grating. The surface-diffracted beam transmits through the substrate to a polished and anti-reflection coated window opening in the n-side metallization.

A unique feature of SE-DFB lasers is that it is possible to scale the single-element power

(b)(4)

(b)(4)

In comparison, the exponentially growing intensity inside edge emitters eventually exceeds the facet and bulk optical-damage threshold as the stripe length is scaled.

(b)(4)

At the end of Phase 1 (18 months after date of contract), Alfalight will deliver a single SE-DFB laser producing 50 watt CW output power near 1040 nm, 40% wall-plug efficiency, 0.3 nm spectral width at FWHM and 0.25 Beam Propagation Factor.

At the end of Phase 2 (27 months after date of contract), Alfalight will deliver a single SE-DFB laser producing 100 watt CW output power near 1040 nm, 50% wall-plug efficiency, 0.1 nm spectral width at FWHM and 0.5 Beam Propagation Factor.

SE-DFB lasers and arrays will have a pervasive impact on a wide variety of industrial and military applications pertaining to defense systems. For example, a direct-diode, high-brightness kilowatt-class laser would revolutionize a major segment of the industrial laser market due to its low cost, smaller form-factor and weight and higher efficiency compared to the current technologies based on diode-pumped solid state lasers (DPSSLs), fiber laser or the emerging disk laser. Many of the applications now served by variety of these DPSSLs can be replaced by spectral beam combined SE-DFB arrays. For applications requiring fiber lasers, the SE-DFB lasers and arrays are very suitable for pumping them since brightness is higher than that of an edge emitter and the wavelength stability is unparalleled. Some key areas of defense systems

that can take advantage of this device include: terminal guidance for actively tracking fast-moving air-borne targets such as missiles, topographical mapping of terrain from air-borne vehicles using imaging laser radar systems, ranging systems, target designation systems and illumination applications can also take advantage of these devices, and optical communication applications as a pump source or even as transmitters.

B. Scope

1. Alfalight shall be responsible for performance of the work set forth in the Statement of Work incorporated in this Agreement as Attachment 1. Alfalight shall submit or otherwise provide all documentation required by Attachment 2, Report Requirements.

2. This Agreement can best be described as an accumulation of expenses approach with fixed milestone fees. Alfalight shall be paid for each Payable Milestone accomplished in accordance with the Schedule of Payments and Payable Milestones set forth in Attachment 3 and the procedures of Article V. Both the Schedule of Payments and the Funding Schedule set forth in Attachments 3 and 4 respectively may be revised or updated in accordance with Article III.

C. Goals / Objectives

1. The goal of this Agreement is to develop high efficiency, SE-DFB laser with up to 100 Watts of CW output power and nearly diffraction-limited beam quality.

2. The Government will have continuous involvement with Alfalight. The Government will obtain access to Program results and certain rights in data and patents pursuant to Articles VII and VIII. DARPA and Alfalight are bound to each other by a duty of good faith in achieving the Program objectives.

3. This Agreement is an "other transaction" pursuant to 10 U.S.C. § 2371 and Section 845, National Defense Authorization Act for Fiscal Year 1994, as amended. The principal purpose of this Agreement is to engage in a research and development program for the development of SE-DFB laser with the goal of achieving, at the end of Phase 1 (18 months after date of contract), a single SE-DFB laser producing 50 watt CW output power near 1040 nm, 40% wall-plug efficiency, 0.3 nm spectral width at FWHM and 0.25 Beam Propagation Factor. At the end of Phase 2 (27 months after date of contract), the goal is to achieve a single SE-DFB laser producing 100 watt CW output power near 1040 nm, 50% wall-plug efficiency, 0.1 nm spectral width at FWHM and 0.5 Beam Propagation Factor.

ARTICLE II: TERM

A. Term of this Agreement

The Program commences upon the date of the last signature hereon and continues for eighteen (18) months for the base program. The term of Option 1, as stated in Attachment 3, Schedule of Payments and Payable Milestones, if and to the extent exercised, commences on the date

exercised and extends the term of the base agreement by an additional nine (9) months. Provisions of this Agreement, which, by their express terms or by necessary implication, apply for periods of time other than specified herein, shall be given effect, notwithstanding this Article.

B. Termination Provisions

The Government may terminate this Agreement by written notice to the Contractor, provided that such written notice is preceded by consultation between the Parties. The Contractor may request Agreement termination by giving the Government sixty (60) days written notification of their intent to do so. If the Contractor decides to request termination of this Agreement, the Government may, at its discretion, agree to terminate. The Government and the Contractor should negotiate in good faith a reasonable and timely adjustment of all outstanding issues between the Parties as a result of termination, which may include non-cancelable commitments. In the event of a termination of the Agreement, the Government shall have paid-up rights in Data as described in Article VIII, Data Rights. Failure of the Parties to agree to an equitable adjustment shall be resolved pursuant to Article VI, Disputes.

C. Extending the Term

The Parties may extend by mutual written agreement the term of this Agreement if funding availability and research opportunities reasonably warrant. Any extension shall be formalized through modification of the Agreement by the Agreements Officer and the Alfalight Administrator.

ARTICLE III: MANAGEMENT OF THE PROJECT

A. Management and Program Structure

Alfalight shall be responsible for the overall technical and program management of the Program, and technical planning and execution shall remain with Alfalight. The DARPA Agreements Officer's Representative (AOR) shall provide recommendations to Program developments and technical collaboration and be responsible for the review and verification of the Payable Milestones.

B. Program Management Planning Process

Program planning will consist of an Annual Program Plan with inputs and review from Alfalight and DARPA management, containing the detailed schedule of research activities and payable milestones. The Annual Program Plan will consolidate quarterly adjustments in the research schedule, including revisions/modification to payable milestones.

1. Initial Program Plan: Alfalight will follow the initial program plan that is contained in the Statement of Work (Attachment 1), and the Schedule of Payments and Payable Milestones (Attachment 3).

2. Overall Program Plan Annual Review

(a) Alfalight, with DARPA Agreements Officer's Representative review, will prepare an overall Annual Program Plan in the first quarter of each Agreement year. (For this purpose, each consecutive twelve (12) month period from (and including) the month of execution of this Agreement during which this Agreement shall remain in effect shall be considered an "Agreement Year".) The Annual Program Plan will be presented and reviewed at an annual site review which will be attended by Alfalight Management, the DARPA Agreements Officer's Representative, Senior DARPA management as appropriate, and other DARPA program managers and personnel as appropriate. Alfalight, with DARPA participation and review, will prepare a final Annual Program Plan.

(b) The Annual Program Plan provides a detailed schedule of research activities, commits Alfalight to use its best efforts to meet specific performance objectives, includes forecasted expenditures and describes the Payable Milestones. The Annual Program Plan will consolidate all prior adjustments in the research schedule, including revisions/modifications to payable milestones. Recommendations for changes, revisions or modifications to the Agreement which result from the Annual Review shall be made in accordance with the provisions of Article III, Section C.

C. Modifications

1. As a result of quarterly meetings, annual reviews, or at any time during the term of the Agreement, research progress or results may indicate that a change in the Statement of Work and/or the Payable Milestones, would be beneficial to program objectives. Recommendations for modifications, including justifications to support any changes to the Statement of Work and/or the Payable Milestones, will be documented in a letter and submitted by Alfalight to the DARPA Agreements Officer's Representative with a copy to the DARPA Agreements Officer. This documentation letter will detail the technical, chronological, and financial impact of the proposed modification to the research program. DARPA and Alfalight shall approve any Agreement modification. The Government is not obligated to pay for additional or revised Payable Milestones until the Payable Milestones Schedule (Attachment 3) is formally revised by the DARPA Agreements Officer and made part of this Agreement.

2. The DARPA Agreements Officer's Representative shall be responsible for the review and verification of any recommendations to revise or otherwise modify the Agreement Statement of Work, Schedule of Payments or Payable Milestones, or other proposed changes to the terms and conditions of this Agreement.

3. For minor or administrative Agreement modifications (e.g. changes in the paying office or appropriation data, changes to Government or Alfalight personnel identified in the Agreement, etc.) no signature is required by Alfalight.

4. The Government will be responsible for effecting all modifications to this Agreement.

ARTICLE IV: AGREEMENT ADMINISTRATION

Unless otherwise provided in this Agreement, approvals permitted or required to be made by DARPA may be made only by the DARPA Agreements Officer. Administrative and contractual matters under this Agreement shall be referred to the administrative points of contact on Attachment 5.

DCMA Chicago is hereby delegated the responsibility to represent the Government as an Agreements Administrator for the following:

(a) approving milestone payments; (b) tracking total expenditures under the Agreement; (c) processing reports; (d) participating in program reviews and/or other equivalent meetings; (e) monitoring cost shares; (f) administering property (if required); (g) monitoring interest due the government; (h) patents and other intellectual property rights; (i) changes without funds; (j) executing administrative closeout procedures; (k) terminations- equitable adjustment decisions; (l) duty-free entry assistance; and (m) performing other administration functions as delegated by applicable cross-servicing agreements or letters of delegation.

Technical matters under this Agreement shall be referred to the technical points of contact on Attachment 5.

Each party may change its representatives named in this Article by written notification to the other party.

ARTICLE V: OBLIGATION AND PAYMENT

A. Obligation

1. The Government's liability to make payments to Alfalight is limited to only those funds obligated under the Agreement or by modification to the Agreement. DARPA may obligate funds to the Agreement incrementally.

2. If modification becomes necessary in performance of this Agreement, pursuant to Article III, paragraph B, the DARPA Agreements Officer and Alfalight Administrator shall execute a revised Schedule of Payable Milestones consistent with the then current Program Plan.

B. Payments

1. Alfalight has an established and agrees to maintain an established accounting system which complies with Generally Accepted Accounting Principles and the requirements of this Agreement, and shall ensure that appropriate arrangements have been made for receiving,

distributing and accounting for Federal funds. An acceptable accounting system is one in which all cash receipts and disbursements are controlled and documented properly.

2. Alfalight shall document the accomplishments of each Payable Milestone by submitting or otherwise providing the Payable Milestones Report required by Attachment 2, Part D. Alfalight shall submit an original and one (1) copy of all invoices to the Agreements Officer for payment approval. After written verification of the accomplishment of the Payable Milestone by the DARPA Agreements Officer's Representative, and approval by the Agreements Officer, the invoices will be forwarded to the payment office within fifteen (15) calendar days of receipt of the invoices at DARPA. Payment approval for the final Payable Milestone will be made after reconciliation of DARPA funding with actual Alfalight contributions. Payments will be made by Defense Agencies Financial Services Vendor Pay, Attn: DFAS-CO/West Entitlement, P.O. Box 182381, Columbus, OH 43218-2381 within fifteen (15) calendar days of DARPA's transmittal. Subject to change only through written Agreement modification, payment shall be made to the address of the Alfalight Administrator set forth below.

3. Address of Payee:
Alfalight, Inc.
1832 Wright Street
Madison, WI 53704

4. Government funds shall be maintained in an interest-bearing account prior to disbursement. This account shall not be in U. S. Treasury Notes. Any interest earned shall be remitted annually to the DARPA Agreements Officer, or designee. Interest payments shall be made payable to the U. S. Treasury. Interest amounts less than \$250 per year may be retained by Alfalight for administrative expenses.

5. Limitation of Funds: In no case shall the Government's financial liability exceed the amount obligated under this Agreement.

6. Payments shall be made in the amounts set forth in Attachment No. 3, provided the DARPA Agreements Officer's Representative has verified the accomplishment of the Payable Milestones. It is recognized that the quarterly accounting of current expenditures reported in the "Quarterly Business Status Report" submitted in accordance with Attachment No. 2 is not necessarily intended or required to match the Payable Milestones until submission of the Final Report; however, payable milestones shall be revised during the course of the program to reflect current and revised projected expenditures.

7. Financial Records and Reports:

a. The Agreements Officer shall have the right to request an examination or audit of the awardee's records during the period of the agreement and for three years after final payment, unless notified otherwise by the Agreements Officer. The audits will be conducted by an Independent Public Accountant (IPA), at the contractor's expense, subject to the following conditions:

1) The audit shall be performed in accordance with Generally Accepted Government Auditing Standards (GAGAS).

2) The Agreements Officers' authorized representative shall have the right to examine the IPA's audit report and working papers for three years after final payment, unless notified otherwise by the Agreements Officer.

3) The IPA shall send copies of the audit report to the Agreements Officer and the Assistant Inspector General (Audit Policy and Oversight) [AIG(APO)], 400 Army Navy Drive, Suite 737, Arlington, VA 22202.

4) The IPA shall report instances of suspected fraud directly to the DoDIG.

5) When the Agreements Officer determines (subject to appeal under the disputes clause of the agreement) that the audit has not been performed within twelve months of the date requested by the Agreements Officer, or has not been performed in accordance with GAGAS or other pertinent provisions of the agreement (if any), the government shall have the right to require corrective action by awardee. The awardee may take corrective action by having the IPA correct any deficiencies identified by the Agreements Officer, by having another IPA perform the audit, or by electing to have the government perform the audit. If corrective action is not taken, the Agreements Officer shall have the right to take one or more of the following actions:

(a) Withhold or disallow a percentage of costs until the audit is completed satisfactorily;

(b) Suspend performance until the audit is completed satisfactorily; and/or

(c) Terminate the agreement.

6) If it is found that the awardee was performing a procurement contract subject to Cost Principles (48 CFR Part 31) and/or Cost Accounting Standards (48 CFR Part 99) at the time of agreement award, the Agreements Officer, or an authorized representative, shall have the right to audit sufficient records of the awardee to ensure full accountability for all government funding or to verify statutorily required cost share under the agreement. The awardee shall retain such records for three years after final payment, unless notified otherwise by the Agreements Officer.

b. The Comptroller General, at its discretion, shall have access to and the right to examine records of any party to the Agreement or any entity that participates in the performance of this Agreement that directly pertain to, and involve transactions relating to, the Agreement. Excepted from this requirement is any party to this Agreement or any entity that participates in the performance of the Agreement, or any subordinate element of such party or entity, that has not entered into any other agreement (contract, grant, cooperative agreement,

or "other transaction") that provides for audit access by a Government entity in the year prior to the date of the Agreement.

ARTICLE VI: DISPUTES

A. General

The Parties shall communicate with one another in good faith and in a timely and cooperative manner when raising issues under this Article.

B. Dispute Resolution Procedures

1. Any disagreement, claim or dispute between DARPA and Alfalight concerning questions of fact or law arising from or in connection with this Agreement, and, whether or not involving an alleged breach of this Agreement, may be raised only under this Article.

2. Whenever disputes, disagreements, or misunderstandings arise, the Parties shall attempt to resolve the issue(s) involved by discussion and mutual agreement as soon as practicable. In no event shall a dispute, disagreement or misunderstanding which arose more than three (3) months prior to the notification made under subparagraph B.3 of this article constitute the basis for relief under this article unless the Director of DARPA in the interests of justice waives this requirement.

3. Failing resolution by mutual agreement, the aggrieved Party shall document the dispute, disagreement, or misunderstanding by notifying the other Party (through the DARPA Agreements Officer or Consortium Administrator, as the case may be) in writing of the relevant facts, identify unresolved issues, and specify the clarification or remedy sought. Within five (5) working days after providing notice to the other Party, the aggrieved Party may, in writing, request a joint decision by the DARPA Senior Procurement Executive and senior executive (no lower than the Chief Financial Officer level) appointed by Alfalight. The other Party shall submit a written position on the matter(s) in dispute within thirty (30) calendar days after being notified that a decision has been requested. The DARPA Senior Procurement Executive and the senior executive shall conduct a review of the matter(s) in dispute and render a decision in writing within thirty (30) calendar days of receipt of such written position. Any such joint decision is final and binding.

4. In the absence of a joint decision, upon written request to the Director of DARPA, made within thirty (30) calendar days of the expiration of the time for a decision under subparagraph B.3 above, the dispute shall be further reviewed. The Director of DARPA may elect to conduct this review personally or through a designee or jointly with a senior executive (no lower than the Chief Financial Officer level) appointed by Alfalight. Following the review, the Director of DARPA or designee will resolve the issue(s) and notify the Parties in writing. Such resolution is not subject to further administrative review and, to the extent permitted by law, shall be final and binding.

C. Limitation of Damages

Claims for damages of any nature whatsoever pursued under this Agreement shall be limited to direct damages only up to the aggregate amount of DARPA funding disbursed as of the time the dispute arises. In no event shall DARPA be liable for claims for consequential, punitive, special and incidental damages, claims for lost profits, or other indirect damages.

ARTICLE VII: PATENT RIGHTS

A. Definitions

1. "Invention" means any invention or discovery which is or may be patentable or otherwise protectable under Title 35 of the United States Code.

2. "Made" when used in relation to any invention means the conception or first actual reduction to practice of such invention.

3. "Practical application" means to manufacture, in the case of a composition of product; to practice, in the case of a process or method, or to operate, in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is capable of being utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the public on reasonable terms.

4. "Subject invention" means any invention conceived or first actually reduced to practice in the performance of work under this Agreement.

B. Allocation of Principal Rights

Unless Alfalight shall have notified DARPA (in accordance with subparagraph C.2 below) that Alfalight does not intend to retain title, Alfalight shall retain the entire right, title, and interest throughout the world to each subject invention consistent with the provisions of this Article and 35 U.S.C. § 202. With respect to any subject invention in which Alfalight retains title, DARPA shall have a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced on behalf of the United States the subject invention throughout the world.

C. Invention Disclosure, Election of Title, and Filing of Patent Application

1. Alfalight shall disclose each subject invention to DARPA within four (4) months after the inventor discloses it in writing to his company personnel responsible for patent matters. The disclosure to DARPA shall be in the form of a written report and shall identify the Agreement under which the invention was made and the identity of the inventor(s). It shall be sufficiently complete in technical detail to convey a clear understanding to the extent known at the time of the disclosure, of the nature, purpose, operation, and the physical, chemical, biological, or electrical characteristics of the invention. The disclosure shall also identify any publication, sale, or public use of the invention and whether a manuscript describing the invention has been submitted for publication and, if so, whether it has been accepted for

publication at the time of disclosure. Alfalight shall also submit to DARPA an annual listing of subject inventions.

2. If Alfalight determines that it does not intend to retain title to any such invention, Alfalight shall notify DARPA, in writing, within eight (8) months of disclosure to DARPA. However, in any case where publication, sale, or public use has initiated the one (1)-year statutory period wherein valid patent protection can still be obtained in the United States, the period for such notice may be shortened by DARPA to a date that is no more than sixty (60) calendar days prior to the end of the statutory period.

3. Alfalight shall file its initial patent application on a subject invention to which it elects to retain title within one (1) year after election of title or, if earlier, prior to the end of the statutory period wherein valid patent protection can be obtained in the United States after a publication, or sale, or public use. Alfalight may elect to file patent applications in additional countries (including the European Patent Office and the Patent Cooperation Treaty) within either ten (10) months of the corresponding initial patent application or six (6) months from the date permission is granted by the Commissioner of Patents and Trademarks to file foreign patent applications, where such filing has been prohibited by a Secrecy Order.

4. Requests for extension of the time for disclosure election, and filing under Article VII, paragraph C, may, at the discretion of DARPA, and after considering the position of Alfalight, be granted.

D. Conditions When the Government May Obtain Title

Upon DARPA's written request, Alfalight shall convey title to any subject invention to DARPA under any of the following conditions:

1. If Alfalight fails to disclose or elects not to retain title to the subject invention within the times specified in paragraph C of this Article; provided, that DARPA may only request title within sixty (60) calendar days after learning of the failure of Alfalight to disclose or elect within the specified times.

2. In those countries in which Alfalight fails to file patent applications within the times specified in paragraph C of this Article; provided, that if Alfalight has filed a patent application in a country after the times specified in paragraph C of this Article, but prior to its receipt of the written request by DARPA, Alfalight shall continue to retain title in that country; or

3. In any country in which Alfalight decides not to continue the prosecution of any application for, to pay the maintenance fees on, or defend in reexamination or opposition proceedings on, a patent on a subject invention.

E. Minimum Rights to Alfalight and Protection of Alfalight's Right to File

1. Alfalight shall retain a nonexclusive, royalty-free license throughout the world in each subject invention to which the Government obtains title, except if Alfalight fails to disclose the invention within the times specified in paragraph C of this Article. The Alfalight license extends to the domestic (including Canada) subsidiaries and affiliates, if any, within the corporate structure of which Alfalight is a party and includes the right to grant licenses of the same scope to the extent that Alfalight was legally obligated to do so at the time the Agreement was awarded. The license is transferable only with the approval of DARPA, except when transferred to the successor of that part of the business to which the invention pertains. DARPA approval for license transfer shall not be unreasonably withheld.

2. The Alfalight domestic license may be revoked or modified by DARPA to the extent necessary to achieve expeditious practical application of the subject invention pursuant to an application for an exclusive license submitted consistent with appropriate provisions at 37 CFR Part 404. This license shall not be revoked in that field of use or the geographical areas in which Alfalight has achieved practical application and continues to make the benefits of the invention reasonably accessible to the public. The license in any foreign country may be revoked or modified at the discretion of DARPA to the extent Alfalight, its licensees, or the subsidiaries or affiliates have failed to achieve practical application in that foreign country.

3. Before revocation or modification of the license, DARPA shall furnish Alfalight a written notice of its intention to revoke or modify the license, and Alfalight shall be allowed thirty (30) calendar days (or such other time as may be authorized for good cause shown) after the notice to show cause why the license should not be revoked or modified.

F. Action to Protect the Government's Interest

1. Alfalight agrees to execute or to have executed and promptly deliver to DARPA all instruments necessary to (i) establish or confirm the rights the Government has throughout the world in those subject inventions to which Alfalight elects to retain title, and (ii) convey title to DARPA when requested under paragraph D of this Article and to enable the Government to obtain patent protection throughout the world in that subject invention.

2. Alfalight agrees to require, by written agreement, its employees, other than clerical and non-technical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in a format suggested by Alfalight each subject invention made under this Agreement in order that Alfalight can comply with the disclosure provisions of paragraph C of this Article. Alfalight shall instruct employees, through employee agreements or other suitable educational programs, on the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to U. S. or foreign statutory bars.

3. Alfalight shall notify DARPA of any decisions not to continue the prosecution of a patent application, pay maintenance fees, or defend in a reexamination or opposition proceedings on a patent, in any country, not less than thirty (30) calendar days before the expiration of the response period required by the relevant patent office.

4. Alfalight shall include, within the specification of any United States patent application and any patent issuing thereon covering a subject invention, the following statement: "This invention was made with Government support under Agreement No. HR0011-06-9-0006 awarded by DARPA. The Government has certain rights in the invention."

G. Lower Tier Agreements

Alfalight shall include this Article, suitably modified, to identify the Parties, in all subcontracts or lower tier agreements, regardless of tier, for experimental, developmental, or research work.

H. Reporting on Utilization of Subject Inventions

Alfalight agrees to submit, during the term of the Agreement, an annual report on the utilization of a subject invention or on efforts at obtaining such utilization that are being made by Alfalight or its licensees or assignees. Such reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by Alfalight, and such other data and information as the agency may reasonably specify. Alfalight also agrees to provide additional reports as may be requested by DARPA in connection with any march-in proceedings undertaken by DARPA in accordance with paragraph J of this Article. Consistent with 35 U.S.C. § 202(c)(5), DARPA agrees it shall not disclose such information to persons outside the Government without permission of Alfalight.

I. Preference for American Industry

Notwithstanding any other provision of this clause, Alfalight agrees that it shall not grant to any person the exclusive right to use or sell any subject invention in the United States or Canada unless such person agrees that any product embodying the subject invention or produced through the use of the subject invention shall be manufactured substantially in the United States or Canada. However, in individual cases, the requirements for such an agreement may be waived by DARPA upon a showing by Alfalight that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that, under the circumstances, domestic manufacture is not commercially feasible.

J. March-in Rights

Alfalight agrees that, with respect to any subject invention in which it has retained title, DARPA has the right to require Alfalight, an assignee, or exclusive licensee of a subject invention to grant a non-exclusive license to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if Alfalight, assignee, or exclusive licensee refuses such a request, DARPA has the right to grant such a license itself if DARPA determines that:

1. Such action is necessary because Alfalight or assignee has not taken effective steps, consistent with the intent of this Agreement, to achieve practical application of the subject invention;

2. Such action is necessary to alleviate health or safety needs which are not reasonably satisfied by Alfalight, assignee, or their licensees;

3. Such action is necessary to meet requirements for public use and such requirements are not reasonably satisfied by Alfalight, assignee, or licensees; or

4. Such action is necessary because the agreement required by paragraph (I) of this Article has not been obtained or waived or because a licensee of the exclusive right to use or sell any subject invention in the United States is in breach of such Agreement.

ARTICLE VIII: DATA RIGHTS

A. Definitions

1. "Government Purpose Rights", as used in this article, means rights to use, duplicate, or disclose Data, in whole or in part and in any manner, for Government purposes only, and to have or permit others to do so for Government purposes only.

2. "Unlimited Rights", as used in this article, means rights to use, duplicate, release, or disclose, Data in whole or in part, in any manner and for any purposes whatsoever, and to have or permit others to do so.

3. "Data", as used in this article, means recorded information, regardless of form or method of recording, which includes but is not limited to, technical data, software, trade secrets, and mask works. The term does not include financial, administrative, cost, pricing or management information and does not include subject inventions included under Article VII.

B. Allocation of Principal Rights

1. The Parties agree that in consideration for Government funding, Alfalight intends to reduce to practical application items, components and processes developed under this Agreement.

2. Alfalight agrees to retain and maintain in good condition until five (5) years after completion or termination of this Agreement, all Data necessary to achieve practical application. In the event of exercise of the Government's March-in Rights as set forth under Article VII or subparagraph B.3 of this article, Alfalight agrees, upon written request from the Government, to deliver at no additional cost to the Government, all Data necessary to achieve practical application within sixty (60) calendar days from the date of the written request. The Government shall retain Unlimited Rights, as defined in paragraph A above, to this delivered Data.

3. Alfalight agrees that, with respect to Data necessary to achieve practical application, DARPA has the right to require Alfalight to deliver all such Data to DARPA in accordance with its reasonable directions if DARPA determines that:

(a) Such action is necessary because Alfalight or assignee has not taken effective steps, consistent with the intent of this Agreement, to achieve practical application of the technology developed during the performance of this Agreement;

(b) Such action is necessary to alleviate health or safety needs which are not reasonably satisfied by Alfalight, assignee, or their licensees; or

(c) Such action is necessary to meet requirements for public use and such requirements are not reasonably satisfied by Alfalight, assignee, or licensees.

4. With respect to Data pertaining or related to the SE-DFB laser chips, the Government shall receive Government Purpose Rights, as defined in paragraph A. above.

5. With respect to Data delivered pursuant to Attachment 2 or developed or generated under the Agreement, the Government shall receive Government Purpose Rights, as defined in paragraph A above. With respect to all Data delivered, in the event of the Government's exercise of its right under subparagraph B.2 of this article, the Government shall receive Unlimited Rights.

C. Marking of Data

Pursuant to paragraph B above, any Data delivered under this Agreement shall be marked with the following legend:

Use, duplication, or disclosure is subject to the restrictions as stated in Agreement HR0011-06-9-0006 between the Government and Alfalight.

D. Lower Tier Agreements

Alfalight shall include this Article, suitably modified to identify the Parties, in all subcontracts or lower tier agreements, regardless of tier, for experimental, developmental, or research work.

ARTICLE IX: FOREIGN ACCESS TO TECHNOLOGY

This Article shall remain in effect during the term of the Agreement and for three (3) years thereafter.

A. Definition

1. "Foreign Firm or Institution" means a firm or institution organized or existing under the laws of a country other than the United States, its territories, or possessions. The term includes, for purposes of this Agreement, any agency or instrumentality of a foreign government; and firms, institutions or business organizations which are owned or substantially controlled by foreign governments, firms, institutions, or individuals.

2. "Know-How" means all information including, but not limited to discoveries, formulas, materials, inventions, processes, ideas, approaches, concepts, techniques, methods, software, programs, documentation, procedures, firmware, hardware, technical data, specifications, devices, apparatus and machines.

3. "Technology" means discoveries, innovations, Know-How and inventions, whether patentable or not, including computer software, recognized under U.S. law as intellectual creations to which rights of ownership accrue, including, but not limited to, patents, trade secrets, maskworks, and copyrights developed under this Agreement.

B. General

The Parties agree that research findings and technology developments arising under this Agreement may constitute a significant enhancement to the national defense, and to the economic vitality of the United States. Accordingly, access to important technology developments under this Agreement by Foreign Firms or Institutions must be carefully controlled. The controls contemplated in this Article are in addition to, and are not intended to change or supersede, the provisions of the International Traffic in Arms Regulation (22 CFR pt. 121 et seq.), the DoD Industrial Security Regulation (DoD 5220.22-R) and the Department of Commerce Export Regulation (15 CFR pt. 770 et seq.)

C. Restrictions on Sale or Transfer of Technology to Foreign Firms or Institutions

1. In order to promote the national security interests of the United States and to effectuate the policies that underlie the regulations cited above, the procedures stated in subparagraphs C.2, C.3, and C.4 below shall apply to any transfer of Technology. For purposes of this paragraph, a transfer includes a sale of the company, and sales or licensing of Technology. Transfers do not include:

- (a) sales of products or components, or
- (b) licenses of software or documentation related to sales of products or components, or
- (c) transfer to foreign subsidiaries of Alfalight for purposes related to this Agreement, or
- (d) transfer which provides access to Technology to a Foreign Firm or Institution which is an approved source of supply or source for the conduct of research under this Agreement provided that such transfer shall be limited to that necessary to allow the firm or institution to perform its approved role under this Agreement.

2. Alfalight shall provide timely notice to DARPA of any proposed transfers from Alfalight of Technology developed under this Agreement to Foreign Firms or Institutions. If DARPA determines that the transfer may have adverse consequences to the national security

interests of the United States, Alfalight, its vendors, and DARPA shall jointly endeavor to find alternatives to the proposed transfer which obviate or mitigate potential adverse consequences of the transfer but which provide substantially equivalent benefits to Alfalight.

3. In any event, Alfalight shall provide written notice to the DARPA Agreements Officer's Representative and Agreements Officer of any proposed transfer to a foreign firm or institution at least sixty (60) calendar days prior to the proposed date of transfer. Such notice shall cite this Article and shall state specifically what is to be transferred and the general terms of the transfer. Within thirty (30) calendar days of receipt of Alfalight's written notification, the DARPA Agreements Officer shall advise Alfalight whether it consents to the proposed transfer. In cases where DARPA does not concur or sixty (60) calendar days after receipt and DARPA provides no decision, Alfalight may utilize the procedures under Article VI, Disputes. No transfer shall take place until a decision is rendered.

4. In the event a transfer of Technology to Foreign Firms or Institutions which is NOT approved by DARPA takes place, Alfalight shall (a) refund to DARPA funds paid for the development of the Technology and (b) the Government shall have a non-exclusive, nontransferable, irrevocable, paid-up license to practice or have practiced on behalf of the United States the Technology throughout the world for Government and any and all other purposes, particularly to effectuate the intent of this Agreement. Upon request of the Government Alfalight shall provide written confirmation of such licenses.

D. Lower Tier Agreements

Alfalight shall include this Article, suitably modified, to identify the Parties, in all subcontracts or lower tier agreements, regardless of tier, for experimental, developmental, or research work.

ARTICLE X: TITLE TO AND DISPOSITION OF PROPERTY

A. Definitions

In this article "property" means any tangible personal property other than property actually consumed during the execution of work under this agreement. For purposes of this article, "property" does not include the deliverable prototypes which are the surface-emitting distributed feedback laser chips.

B. Title to Property

Alfalight will acquire property with an acquisition value greater than \$5,000 under this Agreement as set forth in Attachment 6 to this Agreement which is necessary to further the research and development goals of this Program and is not for the direct benefit of the Government. Title to this property shall vest in Alfalight upon acquisition. Title to any other items of property acquired under this Agreement with an acquisition value of \$5,000 or less shall vest in Alfalight upon acquisition with no further obligation of the Parties unless otherwise determined by the Agreements Officer. Should any other item of property with an acquisition

value greater than \$5,000 be required, Alfalight shall obtain prior written approval of the Agreements Officer. Title to this property shall also vest in Alfalight upon acquisition. Alfalight shall be responsible for the maintenance, repair, protection, and preservation of all property at its own expense.

C. Disposition of Property

At the completion of the term of this Agreement, items of property set forth in Attachment 6 or any other items of property with an acquisition value greater than \$5,000 shall be disposed of in the following manner:

1. Purchased by Alfalight at an agreed-upon price, the price to represent fair market value, with the proceeds of the sale being returned to DARPA; or
2. Transferred to a Government research facility with title and ownership being transferred to the Government; or
3. Donated to a mutually agreed University or technical learning center for research purposes; or
4. Any other DARPA-approved disposition procedure.

ARTICLE XI: PUBLIC RELEASE OR DISSEMINATION OF INFORMATION

Notwithstanding the reporting requirements of this Agreement, Parties to this Agreement favor an open-publication policy to promote the acceptance of the technology developed under this Agreement. The parties also recognize the necessity to protect Alfalight's proprietary information. It is herein agreed that except for the disclosure of basic information regarding this Agreement such as purpose and general description of the technical work, Alfalight will submit all proposed public releases to the Government AOR for comment prior to release. Public releases include press releases, specific publicity or advertisement, and publication or presentation. In addition, articles for publication or presentation will contain a statement on the title page worded substantially as follows:

"This research was funded by the U.S. Government. The views and conclusions contained in this document are those of the authors and should not be interpreted as representing the official policies, either expressed or implied, of the U.S. Government."

ARTICLE XII: CIVIL RIGHTS ACT

This Agreement is subject to the compliance requirements of Title VI of the Civil Rights Act of 1964 as amended (42 U.S.C. 2000-d) relating to nondiscrimination in Federally assisted programs. Alfalight has signed an Assurance of Compliance with the nondiscriminatory provisions of the Act.

ARTICLE XIII: EXECUTION

This Agreement constitutes the entire agreement of the Parties and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions among the Parties, whether oral or written, with respect to the subject matter hereof. This Agreement may be revised only by written consent of Alfalight and the DARPA Agreements Officer. This Agreement, or modifications thereto, may be executed in counterparts each of which shall be deemed as original, but all of which taken together shall constitute one and the same instrument.

STATEMENT OF WORK

Task 1: Management

Alfalight will manage the program and its efforts and interact with DARPA for feedback. It will host necessary meetings and attend regular briefings scheduled by DARPA. Alfalight will allocate sufficient resources to the program to achieve milestones and goals according to (or in advance of) schedule. Alfalight will write quarterly reports and publication of the final report.

Task 2: SE-DFB Model and Design

(b)(4)

Task 3: Curved Grating Fabrication

(b)(4)

Task 4: SE-DFB Epitaxy and Fabrication

Develop the epitaxial materials, regrowth, wafer processing, optical coating, cleaving, soldering, and wire-bonding techniques for improved device output-beam quality, power efficiency, and reliability. (b)(4)

(b)(4) Specify and procure metallized heatsink submounts and other packaging components for use in device fabrication experiments. Fabricate devices for the Phase I and Phase II deliverables and experiments.

Task 5: SE-DFB Packaging

(b)(4)

Fabricate and assemble the SE-DFB lasers for the deliverable 50 W and 100 W for Phase I and II goals, respectively.

Task 6: Characterization, Burn-in and Lifetest

(b)(4)

(b)(4) Perform power-in-the-bucket measurements to verify beam quality that is calculated from field scan measurements. Build a burn-in (life-test) system for reliability development and for evaluations.

REPORT REQUIREMENTS

A. QUARTERLY REPORT

On or before ninety (90) calendar days after the effective date of the Agreement and quarterly thereafter throughout the term of the Agreement, Alfalight shall submit or otherwise provide a quarterly report. Two (2) copies shall be submitted or otherwise provided to the DARPA Program Manager, one (1) copy shall be submitted or otherwise provided to the DARPA Agreements Officer, and one (1) copy shall be submitted or otherwise provided to DARPA/(INSERT PROGRAM OFFICE), Attn: Assistant Director for Program Management. The report will have two (2) major sections.

1. Technical Status Report. The technical status report will detail technical progress to date and report on all problems, technical issues, major developments, and the status of external collaborations during the reporting period.

2. Business Status Report. The business status report shall provide summarized details of the resource status of this Agreement, including the status of Alfalight contributions. This report will include a quarterly accounting of current expenditures as outlined in the Annual Program Plan. Any major deviations, over plus or minus 10%, shall be explained along with discussions of the adjustment actions proposed. The report will also include an accounting of any interest earned on Government funds. Alfalight is reminded that interest in amounts greater than \$250 per year is not expected to accrue under this Agreement. In the event that this interest does accrue on Government funds, Alfalight is required to provide an explanation for the accrual in the business report. Depending on the circumstances, the Payable Milestones may require adjustment.

B. ANNUAL PROGRAM PLAN DOCUMENT

Alfalight shall submit or otherwise provide to the DARPA Agreements Officer's Representative and DARPA Agreements Officer one (1) copy each of a report which describes the Annual Program Plan as described in Article III, Section B. This document shall be submitted not later than thirty (30) calendar days following the Annual Site Review as described in Article III, Section B.

C. SPECIAL TECHNICAL REPORTS

As agreed to by Alfalight and the DARPA Agreements Officer's Representative, Alfalight shall submit or otherwise provide to the DARPA Agreements Officer's Representative and DARPA Agreements Officer one (1) copy each of special reports on significant events such as significant target accomplishments by Alfalight, significant tests, experiments, or symposia.

D. PAYABLE MILESTONES REPORTS

Alfalight shall submit or otherwise provide to the DARPA Agreements Officer's Representative and DARPA Agreements Officer documentation describing the extent of accomplishment of Payable Milestones. This information shall be as required by Article V, paragraph B and shall be sufficient for the DARPA Agreements Officer's Representative to reasonably verify the accomplishment of the milestone of the event in accordance with the Statement of Work.

E. FINAL REPORT (NOTE: The Final Report is included in the last Payable Milestone for the completed Agreement)

1. Alfalight shall submit or otherwise provide a Final Report making full disclosure of all major developments by Alfalight upon completion of the Agreement or within sixty (60) calendar days of termination of this Agreement. With the approval of the DARPA Agreements Officer's Representative, reprints of published articles may be attached to the Final Report. Two (2) copies shall be submitted or otherwise provided to the DARPA Agreements Officer's Representative, one (1) copy shall be submitted or otherwise provided to the DARPA Agreements Officer, and one (1) copy shall be submitted or otherwise provided to DARPA/(INSERT PROGRAM OFFICE), Attn: Assistant Director for Program Management. One (1) copy shall be submitted to the Defense Technical Information Center, Attn: DTIC-BCS, 8725 John J. Kingman Road, Suite 0944, Fort Belvoir, VA 22060-0944.

2. The Final Report shall be marked with a distribution statement to denote the extent of its availability for distribution, release, and disclosure without additional approvals or authorizations. The Final Report shall be marked on the front page in a conspicuous place with the following marking:

"DISTRIBUTION STATEMENT B. Distribution authorized to U.S. Government agencies only to protect information not owned by the U.S. Government and protected by a contractor's "limited rights" statement, or received with the understanding that it not be routinely transmitted outside the U.S. Government. Other requests for this document shall be referred to DARPA/Technical Information Officer."

F. EXECUTIVE SUMMARY

Alfalight shall submit a one to two page executive-level summary of the major accomplishments of the Agreement and the benefits of using the "other transactions" authority pursuant to 10 U.S.C. § 2371 upon completion of the Agreement. This summary shall include a discussion of the actual or planned benefits of the technologies for both the military and commercial sectors. Two (2) copies shall be submitted to the DARPA Agreements Officer.

SCHEDULE OF PAYMENTS AND PAYABLE MILESTONES

ADC ~After date of contract				
Payable Milestone	Descriptio	Period of Time	Pavment	Period
	(b)(4)			
1				
2				
3				
4				
5				
6				
7				
8				
9				
		Total	\$ 6,151,693	

FUNDING SCHEDULE

A. Projected Program Funding Commitments

<u>Government Fiscal Year</u>	<u>Base Period</u>	<u>Option Period</u>	<u>Total</u>
2006	\$2,809,715		\$2,809,715
2007	\$1,934,003	\$362,364	\$2,296,367
2008		\$1,045,610	\$1,045,610
<hr/>			
	\$4,743,718	\$1,407,974	\$6,151,692

LIST OF GOVERNMENT AND ALFALIGHT REPRESENTATIVES

GOVERNMENT: (b)(6) Agreements Officer

DARPA CMO

3701 N. Fairfax Drive
Arlington, VA 22203-1714
Phone: (703) 696-2434
FAX: (703) 696-2208
Email: (b)(6)@darpa.mil

(b)(6) Program Manager

DARPA/MTO

3701 N. Fairfax Drive
Arlington, VA 22203-1714
Phone: (703) 696-2326
FAX: (703) 696-2206
Email: (b)(6)@darpa.mil

Alfalight:

(b)(6)
Technical Point of Contact
Alfalight Inc
1832 Wright St
Madison WI 53704
Phone: 608-240-4869
FAX: 608-240-4801
Email: (b)(6)@alfalight.com

(b)(6)
Administrative Point of Contact
Alfalight Inc
1832 Wright St
Madison, WI 53704
Phone: 608-240-4817
Fax: 608-240-4801
Email: (b)(6)@alfalight.com

EQUIPMENT PURCHASES

BASE PERIOD

		Estimated	Extended
<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Cost</u>
(b)(4)			