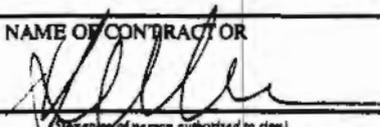
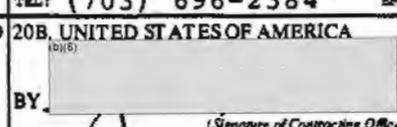


AWARD/CONTRACT		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)		RATING DO-C9	PAGE OF PAGES 1 21
2. CONTRACT (Proc. Inst. Ident.) NO. HR0011-05-C-0005		3. EFFECTIVE DATE 01 FEB 2005		4. REQUISITION/PURCHASE REQUEST/PROJECT NO. T36500	
5. ISSUED BY DARPA CMO ATTN: (b)(6) 3701 NORTH FAIRFAX DRIVE ARLINGTON VA 22203-1714		CODE HR0011	6. ADMINISTERED BY (If other than Item 5) DOMA SAN DIEGO 7675 DAGGET STREET SUITE 200 SAN DIEGO CA 92111-2241		CODE 80614A
7. NAME AND ADDRESS OF CONTRACTOR (No. street, city, county, state and zip code) INTERNATIONAL SYSTEMS LLC 9925 CARROLL CANYON ROAD SAN DIEGO CA 92131-1198			8. DELIVERY [] FOB ORIGIN [X] OTHER (See below)		9. DISCOUNT FOR PROMPT PAYMENT N/A
CODE 09AC7			FACILITY CODE		10. SUBMIT INVOICES 3 (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN: ITEM Section G
11. SHIP TO/MARK FOR See Schedule		CODE	12. PAYMENT WILL BE MADE BY DFAS COLUMBUS CENTER WEST ENTITLEMENT OPERATIONS P.O. BOX 182381 COLUMBUS OH 43218-2381		CODE HQ0330
13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: [] 10 U.S.C. 2304(c)() [] 41 U.S.C. 253(c)()			14. ACCOUNTING AND APPROPRIATION DATA See Schedule		
15A. ITEM NO.	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT
SEE SCHEDULE					
15G. TOTAL AMOUNT OF CONTRACT					\$5,662,114.00
16. TABLE OF CONTENTS					
(X) SEC.	DESCRIPTION	PAGE(S)	(X) SEC.	DESCRIPTION	PAGE(S)
PART I - THE SCHEDULE			PART II - CONTRACT CLAUSES		
X A	SOLICITATION/ CONTRACT FORM	1	X I	CONTRACT CLAUSES	18 - 20
X B	SUPPLIES OR SERVICES AND PRICES/ COSTS	2-3	PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS		
X C	DESCRIPTION/ SPECS/ WORK STATEMENT	4-6	X J	LIST OF ATTACHMENTS	21
X D	PACKAGING AND MARKING	7	PART IV - REPRESENTATIONS AND INSTRUCTIONS		
X E	INSPECTION AND ACCEPTANCE	8	K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	
X F	DELIVERIES OR PERFORMANCE	9-10	L	INST'RS, CONDS, AND NOTICES TO OFFERORS	
X G	CONTRACT ADMINISTRATION DATA	11-12	M	EVALUATION FACTORS FOR AWARD	
X H	SPECIAL CONTRACT REQUIREMENTS	13-17			
CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE					
17. [X] CONTRACTOR'S NEGOTIATED AGREEMENT Contractor is required to sign this document and return 2 copies to issuing office. Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)			18. [] AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number _____ including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.		
19A. NAME AND TITLE OF SIGNER (Type or print) ROBERT J. WHALEN, PRESIDENT			20A. NAME AND TITLE OF CONTRACTING OFFICER TEL: (703) 696-2384 EMAIL: (b)(6)@darpa.mil		
19B. NAME OF CONTRACTOR BY: 		19C. DATE SIGNED 31 JAN 05	20B. UNITED STATES OF AMERICA BY: 		20C. DATE SIGNED 2/4/05

Section B - Supplies or Services and Prices

<u>CONTRACT LINE ITEM NO. (CLIN)</u>	<u>SUPPLIES/SERVICES</u>	<u>ESTIMATED COST</u>	<u>FIXED FEE</u>	<u>TOTAL ESTIMATED COST PLUS FIXED FEE</u>
0001	Basic - The Contractor shall perform Phase 1 of the Long Gun System Program in accordance with the Statement of Work incorporated herein by reference, and Section C-1(a) of the contract.	(b)(4)	(b)(4)	\$5,662,114.00
000101	Funding for CLIN 0001 ACRN AA: \$2,450,000.00			
0002	Report and Data and Other Deliverables for CLIN 0001 in accordance with Section C-2 of the contract.	*NSP	*NSP	*NSP
000201	One survived, inert, flight tested Long Gun Missile and stand for display.			
0003	Option 1 - The Contractor shall perform Phase 2 of the Long Gun System Program in accordance with the Statement of Work incorporated herein by reference, and Section C-1(b) of the contract.	(b)(4)	(b)(4)	\$4,513,665.00

0004

Report and Data and Other Deliverables for CLIN 0003 in accordance with Section C-2 of the contract.

*NSP

*NSP

*NSP

TOTAL CONTRACT CONSIDERATION:
(CLINs 0001 and 0002 only)
*NSP = Not Separately Priced

(b)(4)

(b)(4)

\$5,662,114.00

Section C - Descriptions and Specifications

CLAUSES INCORPORATED BY FULL TEXT

C-1 Scope of Work

(a) The Contractor shall furnish the necessary personnel, materials, facilities and other services as may be required to perform Contract Line Item Nos. (CLINs) 0001 and 0002 in accordance with the Contractor's technical proposal entitled, "Long Gun System," dated August 4, 2004, revised November 8, 2004. Copies of the technical proposal are in possession of both parties. Specifically, the Contractor shall perform Phase 1 of the Long Gun System effort as described in the abovementioned technical proposal, Sections 2.6.1 through 2.6.1.8, pages 18 to 23.

(b) Option 1: In the event that the Government elects to exercise the option, the Contractor shall furnish the necessary personnel, materials, facilities and other services as may be required to perform Option 1, CLINs 0003 and 0004. Specifically, the Contractor shall perform Phase 2 of the Long Gun System effort as described in the abovementioned technical proposal, Sections 2.6.2 through 2.6.2.3, pages 23 and 24.

(c) (1) The Government will make a Go/No-Go decision for Option 1, Phase 2, two (2) months before the expiration of the basic contract in accordance with the Go/No-Go criteria stated below:

- Detailed System Design
 - Airframe Wind Tunnel Test
 - Aerodynamic Performance Analysis
 - Final Airframe/Component Design
- Ducted fan demonstrates performance necessary to meet or exceed requirements
 - Measure ducted fan engine performance (30 hours)
- 12-hour flight test with ducted fan engine

(2) In the event that a No-Go decision is made, the Contractor shall continue performance of Phase 1 as stipulated in the terms and conditions of the contract unless the Government has determined to terminate the contract for convenience.

C-2 Reports and Other Deliverables

(a) The Contractor shall submit the following reports and other deliverables in accordance with the delivery schedule set forth in Section F. Reports and other deliverables shall be submitted in writing, as defined in FAR 2.101, or as specified below:

(1) R&D STATUS REPORT. This brief narrative, not to exceed five pages in length, shall contain the following:

- For first report only; the date work actually started.
- Description of progress during the reporting period, supported by reasons for any change in approach reported previously
- Planned activities and milestones for the next reporting period.
- Description of any major items of experimental or special equipment purchased or constructed during the reporting period.
- Notification of any changes in key personnel associated with the contract during the reporting period.
- ~~Summary of substantive information derived from noteworthy trips, meetings, and special conferences held in connection with the contract during the reporting period.~~
- Summary of all problems or areas of concern.
- Related accomplishments since last report.

- Fiscal status, to include reporting of summary level financial data in the following format:

**R&D STATUS REPORT
PROGRAM FINANCIAL STATUS**

Work Breakdown	Cumulative to Date			At Completion		
Structure or Task Element	Planned Expend	Actual Expend	% Budget Compl	At Compl	Latest Revised Estimate	Remarks
Subtotal:	_____					
Management Reserve:	_____					
Or Unallocated Resources:	_____					
TOTAL:	_____					

Note: Budget at completion changes only with the amount of any scope changes. (Not affected by underrun or overrun)

Based on currently authorized work:

Is current funding sufficient for the current fiscal year (FY)? (Explain in narrative if "NO")

YES NO

What is the next FY funding requirement at current anticipated levels?

\$ _____

Have you included in the report narrative any explanation of the above data and are they cross-referenced?

YES NO

~~(2) MISCELLANEOUS TECHNICAL REVIEWS/REPORTS, ANALYSES, TEST PLANS, AND OTHER DELIVERABLES.~~ The Contractor will conduct various technical reviews such as requirements reviews, design reviews, and test readiness reviews; and provide technical reports, analyses, test plan, demonstration, etc. according to the list of deliverables as described in Sections 2.7.4 and 2.7.5 of the Contractor's Technical Proposal, revised November 8, 2004. Presentation and briefing materials shall also be provided to the Government on an as-required basis.

(3) **HARDWARE DELIVERABLE.** The Contractor shall deliver one survived, inert, flight tested Long Gun Missile and stand at the end of the basic contract performance, Phase 1.

(4) **FINAL REPORT.** The Contractor shall deliver separate final reports summarizing the findings and results of Phase 1 and Phase 2 respectively. The Phase 1 final report shall be provided at the

completion of the Phase 1 performance and the Phase 2 final report shall be provided at the completion of the Phase 2 performance. Title pages shall include a disclaimer worded substantially as follows:

"The views and conclusions contained in this document are those of the authors and should not be interpreted as representing the official policies, either expressly or implied, of the Defense Advanced Research Projects Agency or the U.S. Government."

The Final Technical Report summary shall include:

- Task Objectives
- Technical Problems
- General Methodology (i.e., literature review, laboratory experiments, surveys, etc.)
- Technical Results
- Important Findings and Conclusions
- Significant Hardware Development
- Special Comments
- Implications for Further Research
- Standard Form 298, August 1998

(b) Reports delivered by the Contractor in the performance of the contract shall be considered "Technical Data" as defined in Section I contract clauses entitled "Rights in Technical Data - Noncommercial Items" and "Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation."

(c) Bulky Reports shall be mailed by other than first-class mail unless the urgency of submission requires use of first-class mail. In this situation, one copy shall be mailed first-class and the remaining copies forwarded by less than first-class.

(d) All papers and articles published as a result of DARPA sponsored research shall include a statement reflecting the sponsorship. In addition, a bibliography of the titles and authors of all such papers are to be included in the Final Technical Report.

(e) The cover or title page of each of the above reports or publications prepared, will have the following citation:

Sponsored by
 Defense Advanced Research Projects Agency
 Tactical Technology Office (TTO)
 Program: Long Gun System Program
 ARPA Order No. T365/00 Program Code: 453G
 Issued by DARPA/CMO under Contract No. HR0011-05-C-0005

(f) The title page shall include a disclaimer worded substantially as follows:

"The views and conclusions contained in this document are those of the authors and should not be interpreted as representing the official policies, either expressly or implied, of the Defense Advanced Research Projects Agency or the U.S. Government."

(g) All technical reports shall be prepared in contractor format; and may be prepared in accordance with American National Standards Institute (ANSI) Standard Z39.18 and include a Standard Form 298, August 1998. All technical reports must be marked with an appropriate Distribution Statement.

Section D - Packaging and Marking

CLAUSES INCORPORATED BY FULL TEXT

D-1 Packaging and Marking

All items shall be preserved, packaged, packed and marked in accordance with best commercial practices to meet the packing requirements of the carrier, and to ensure safe delivery at destination.

Section E - Inspection and Acceptance

CLAUSES INCORPORATED BY REFERENCE

52.246-9	Inspection Of Research And Development (Short Form)	APR 1984
252.246-7000	Material Inspection And Receiving Report	MAR 2003

CLAUSES INCORPORATED BY FULL TEXT

E-1 Inspection and Acceptance at Destination

Inspection and acceptance of the supplies or services to be furnished hereunder shall be made at destination by the receiving activity.

Section F - Deliveries or Performance

CLAUSES INCORPORATED BY REFERENCE

52.247-34 F.O.B. Destination NOV 1991

CLAUSES INCORPORATED BY FULL TEXT

F-1 Term of Contract

(a) As authorized by the Advance Agreement to Authorize Incurrence of Pre-Award Costs (as amended) incorporated into the contract as Attachment No. 1, the period of performance for the basic contract, CLINs 0001 and 0002, commences on October 7, 2004 and continues through October 6, 2005.

(b) In the event that the Government elects to exercise the option, the period of performance for Option 1, CLINs 0003 and 0004, shall commence from the date of the exercise of option through twelve (12) months thereafter.

F-2 Reports and Other Deliverables

Delivery of all reports and other deliverables shall be made to the addressees specified in F-3 entitled "Distribution of Reports and Other Deliverables" in accordance with the following:

<u>Description</u>	<u>Due Date</u>
R&D Progress, Status and Management Report	Monthly basis on the 20th day of the month
Miscellaneous Technical Reviews/Reports, Analyses, Test Plans, and Other Deliverables	According to Sections 2.7.4 and 2.7.5 of the Contractor's Technical Proposal, revised November 8, 2004
Presentation and Briefing Materials	On an as-required basis
Hardware - Long Gun Missile and Stand	Upon completion of the basic contract, Phase 1
Phase 1 Final Report	Upon completion of the basic contract, Phase 1
Phase 2 Final Report	Upon completion of Option 1, Phase 2

F-3 Distribution of Reports and Other Deliverables

(a) DARPA/Contracts Management Office (CMO)
 ATTN: Algeria K. Tate, Contracting Officer
 3701 N. Fairfax Drive
 Arlington, VA 22203-1714
 (One copy of the R&D Progress, Status and Management Report, and Final Report;
 a copy of the cover letter only for other reports)

(b) DARPA/Tactical Technology Office (TTO)
 ATTN: Dr. Darryll Pines, Contracting Officer's Representative (COR)

3701 N. Fairfax Drive
Arlington, VA 22203-1714
Email: dpines@darpa.mil
(One ORIGINAL of every report and deliverable)

- (c) DARPA/Tactical Technology Office (TTO)
ATTN: Jeffrey A. Smith, Assistant Director, Program Management
3701 N. Fairfax Drive
Arlington, VA 22203-1714
Email: adpm-tto@darpa.mil
(One copy of the R&D Progress, Status and Management Report, and Final Report)
- (d) DARPA/Library
3701 N. Fairfax Drive
Arlington, VA 22203-1714
Email: library@darpa.mil
(One copy of the Final Report only)
- (e) Defense Contract Management Agency (DCMA) San Diego
ATTN: Administrative Contracting Officer
7675 Dagget Street, Suite 200
San Diego, CA 92111-2241
(One copy of the R&D Progress, Status and Management Report, and Final Report)
- (f) Defense Technical Information Center (DTIC)
 - (i) Email: TR@dtic.mil
(one electronic copy of the Final Technical Report, if unclassified); or
 - (ii) Attn: DTIC-BCS
8725 John J. Kingman Road
Suite 0944
Fort Belvoir, VA 22060-0944
(Two copies of Final Report only, if unclassified)

F-4 Notice Regarding Late Delivery

In the event the Contractor anticipates difficulty in complying with the contract delivery schedule, the Contractor shall immediately notify the Contracting Officer in writing, giving pertinent details, including the date by which it expects to make delivery; PROVIDED, however, that this date shall be informational only in character and the receipt thereof shall not be construed as a waiver by the Government of any contract delivery schedule, or any rights or remedies provided by law or under this contract.

Section G - Contract Administration Data

ACCOUNTING AND APPROPRIATION DATA

ACRN AA 2142040 21ED T365 P453G 2525 DPAC 4 5466 S12136 633005 \$2,450,000.00
(ARPA Order No. T365/00)

CLAUSES INCORPORATED BY FULL TEXT

G-1 Procuring Office Representative

The Procuring Office Representative is Algeria K. Tate, DARPA Contracts Management Office (CMO), 3701 North Fairfax Drive, Arlington, VA 22203-1714, Telephone: (703) 696-2384, Fax: (703) 248-8033, E-mail: atate@darpa.mil.

G-2 Delegation of Authority for Contract Administration

Defense Contract Management Agency San Diego as set forth in Block 6 of the Standard Form (SF) 26 is hereby designated as the Contracting Officer's authorized representative for administering this contract in accordance with current directives; however, technical cognizance is retained by DARPA because of the technical nature of the work.

G-3 Contracting Officer's Representative (COR)

(a) Performance of work under this contract shall be subject to the technical direction of Dr. Darryll Pines, Contracting Officer's Representative (COR), DARPA Tactical Technology Office (TTO), Telephone (571) 218-4339, Fax: (703) 696-8401, E-mail: dpines@darpa.mil. Such technical direction includes those instructions to the Contractor necessary to accomplish the Statement of Work. The COR is not otherwise authorized to make any representations or commitments of any kind on behalf of the Contracting Officer or the Government. The COR does not have the authority to alter the Contractor's obligations or to change the specifications of the contract.

(b) Technical direction shall not include any direction which:

- (1) Constitutes additional work outside the scope of work;
- (2) Constitutes a change as defined in Section I contract clause entitled "Changes";
- (3) In any manner causes an increase or decrease in the total estimated cost or the time required for contract performance; or
- (4) Changes any of the stated terms, conditions, or specifications of the contract.

G-4 Accounting and Appropriation Data

Refer to the Accounting and Appropriate Data indicated above under Section G.

G-5 Invoices

(a) Vouchers - Original plus three (3) copies, identified by contract number, with supporting statements, shall be submitted for review and provisional approval to the following audit agency:

Defense Contract Audit Agency (DCAA)
Western Region - San Diego Branch Office
7675 Dagget Street, Suite 300
San Diego, CA92111-2241
or
as directed by DCAA

(b) In addition to the above, one copy of each voucher submitted for payment shall be submitted to the Contracting Officer and the COR of this contract.

G-6 Payment Instructions for Multiple Accounting Classification Citations

Payments under contract line items funded by multiple accounting classification citations shall be made from the earliest available fiscal year funding sources. The earliest assigned ACRN must be fully disbursed before making disbursements from a succeeding ACRN.

G-7 Payment of Cost and Fee

As consideration for the proper performance of work required under this contract, the Contractor shall be paid as follows:

(a) Costs, as provided for under Section I contract clause titled "Allowable Cost and Payment" not to exceed the amount set forth as "Total Estimated Cost" in Section B, and subject further to those Section I clauses entitled "Limitation of Cost" or "Limitation of Funds."

(b) A fixed fee in the amount set forth as "Fixed Fee" in Section B, in accordance with the Section I contract clause entitled "Fixed Fee." The Contractor may bill on each invoice the amount of the fixed fee bearing the same percentage to the total fixed fee as the amount of cost billed bears to the total estimated cost.

G-8 Notice of Limitation of Liability - Incremental Funding

The total estimated cost plus fixed fee of this contract as set forth in Section B shall be subject to incremental funding with \$2,450,000.00 presently available for payment and allotted under this contract. Of the total funding presently available, \$2,289,720.00 has been allotted to total estimated cost, and (b)(4) has been allotted to fixed fee. Except in accordance with the clause at FAR 52.232.22, "Limitation of Funds," no legal liability on the part of the Government for payment of any money in excess of \$2,450,000.00 shall arise unless and until additional funds are made available by the Contracting Officer through written modification to this contract.

Section H - Special Contract Requirements

CLAUSES INCORPORATED BY FULL TEXT

H-1 Contracting Officer

Notwithstanding any other provision of this contract, the Contracting Officer is the only individual authorized to redirect the effort or in any way amend or modify any of the terms of this contract.

H-2 Type of Contract

This is a Cost Plus Fixed Fee, Completion contract.

H-3 Public Release of Dissemination of Information

(a) There shall be no dissemination or publication, except within and between the Contractor and any subcontractors, of information developed under this contract or contained in the reports to be furnished pursuant to this contract without prior written approval of the COR. All technical reports will be given proper review by appropriate authority to determine which Distribution Statement is to be applied prior to the initial distribution of these reports by the Contractor. Papers resulting from unclassified contracted fundamental research are exempt from prepublication controls and this review requirement, pursuant to DoD Instruction 5230.27 dated October 6, 1987...

(b) When submitting material for clearance for open publication, the Contractor must furnish DARPA Technical Information Officer, 3701 North Fairfax Drive, Arlington, VA 22203-1714, telephone (703) 526-4163 with five copies and allow four weeks for processing. Viewgraph presentations must be accompanied with a written text. Whenever a paper is to be presented at a meeting, the Contractor must indicate the exact dates of the meeting or the Contractor's date deadline for submitting the material.

H-4 Invention Disclosures and Reports

The Contractor shall submit all invention disclosures and reports required by the Patent Rights clause of this contract to the Administrative Contracting Officer (ACO).

H-5 Restrictions on Printing

Unless otherwise authorized in writing by the Contracting Officer, reports, data, or other written material produced using funds provided by this contract and submitted hereunder shall be reproduced only by duplicating processes and shall not exceed 5,000 single page reports or a total of 25,000 pages of a multiple-page report. These restrictions do not preclude the writing, editing, preparation of manuscript or reproducible copy of related illustrative materials if required as a part of this contract, or incidental printing such as forms or materials necessary to be used by the Contractor to respond to the terms of the contract.

H-6 Insurance Schedule

The Contractor shall maintain the types of insurance listed in FAR 28.307-2 (a), (b) and (c), with the minimum amounts of liability indicated therein. The types of insurance coverage listed in paragraphs (d) and (e) shall also be maintained when applicable.

H-7 Metric System

(a) The Defense Advanced Research Projects Agency (DARPA) will consider the use of the metric system in all of its activities consistent with operational, economical, technical and safety requirements.

(b) The metric system will be considered for use in all new designs. When it is deemed not to be in the best interest of the DoD to provide metric design, justification shall be provided.

(c) Physical and operational interfaces between metric items and U.S. customary items will be designed to assure that interchangeability and interoperability will not be affected.

(d) Existing designs dimensioned in U.S. customary units will be converted to metric units only if determined to be necessary or advantageous. Unnecessary retrofit of existing systems with new metric components will be avoided where both the new metric and existing units are interchangeable and interoperable. Normally, the system of measurement in which an item is originally designed will be retained for the life of the item.

(e) During the metric transition phase hybrid metric and U.S. customary designs will be necessary and acceptable. Material components, parts, subassemblies, and semifabricated materials, which are of commercial design will be specified in metric units only when economically available and technically adequate or when it is otherwise specifically determined to be in the best interest of the Department of Defense. Bulk materials will be specified and accepted in metric units when it is expedient or economic to do so.

(f) Technical reports, studies, and position papers (except those pertaining to items dimensioned in U.S. customary units) will include metric units of measurement in addition to or in lieu of U.S. customary units. With respect to existing contracts, this requirement applies only if such documentation can be obtained without an increase in contract costs.

(g) Use of the dual dimensions (i.e., both metric and U.S. customary dimensions) on drawings will be avoided unless it is determined in specific instances that such usage will be beneficial. However, the use of tables on the document to translate dimensions from one system of measurement to the other is acceptable.

H-8 Proprietary Technical Data and Computer Software

Any deliverable technical data or computer software developed or generated solely at private expense and considered to be proprietary by the Contractor or subcontractors, shall be delivered in accordance with DFARS 252.227-7013 and DFARS 252.227-7014.

H-9 Key Personnel

(a) The Contractor shall notify the Contracting Officer prior to making any change in key personnel. Key personnel are identified as follows:

(1) Personnel identified in the proposal as key individuals to be assigned for participation in the performance of the contract;

(2) Personnel whose resumes were submitted with the proposal; or

(3) Individuals who are designated as key personnel by agreement of the Government and the Contractor during negotiations.

Key Personnel

(b)(4)



(d) All foreign travel shall be authorized and approved in advance, in writing, by the Contracting Officer. Request for such travel must be submitted to the Contracting Officer at least forty-five (45) days in advance of traveler's anticipated departure date, and shall include traveler's itinerary of United States Flag Air Carriers.

H-12 Information Technology

(a) All Information Technology (IT) under this contract shall be "Year 2000 Compliant".

(b) IT, as used in this part, means all computer related hardware and/or software purchased and/or developed under this contract.

(c) "Year 2000 compliant," as used in this part, means, with respect to IT, that the IT accurately processes date/time data (including, but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations, to the extent that other IT, used in combination with the IT being acquired, properly exchanges date/time data with it.

H-13 Contractor Acquired Property

(a) The Contractor shall not acquire any property prior to the Contracting Officer's written approval.

(b) The Contractor shall not use contractor-acquired property for work other than that performed pursuant to this contract unless so authorized in writing by the Contracting Officer.

(c) All property acquired shall be considered Government Property and shall be subject to FAR 52.245-5.

H-14 Government Furnished Property (GFP)

For the performance under the contractor, the Government shall furnish to the Contractor nine (9) Affordable Weapon assemblies complete with avionics and solid rocket motor boost assembly. All GFP shall be returned to the Government after completion of the contract. The clause at FAR 52.245-5 shall apply.

H-15 Pre-Contract Clause

The extent of allowability of costs incurred by the Contractor prior to the effective date of the contract shall be governed by the Advance Agreement to Authorize Incurrence of Pre-Award Costs (as amended) incorporated into the contract as Attachment No. 1 under Section J.

H-16 Exercise of Options

~~This contract is renewable at the unilateral option of the Government before expiration of the contract. An Option shall be exercised by the issuance of a modification for Option requirements, as set forth in Sections B and F.~~

H-17 Option to Extend the Term of the Contract

(a) The Government shall retain the right to require additional research and development within the terms and conditions of this contract. The exercise of this right shall be preceded by the Government's evaluation of the criteria for the Go/No Go decision to proceed as defined in Section C-1(c) of the contract. The exercise of this right shall also be preceded by negotiations leading to a fair and reasonable price for continued research and shall be effected by the execution of a bilateral modification by the Government and the Contractor.

(b) The Government may extend the term of this contract at any time prior to the expiration of the contract term, provided that the Government shall give the Contractor a preliminary notice of its intent to extend at least thirty (30) days before the contract expires. The preliminary notice does not commit the Government to executing the option.

(c) If the Government exercises this option, the extended contract shall be considered to include this provision.

(d) Total duration of this contract, including exercise of any options under this clause, shall not exceed five years.

H-18 Small Business Subcontracting Plan

The Contractor's Small, Small Disadvantaged, Woman-Owned Small Business Veteran-Owned Small Business (Including Service-Disabled Veteran-Owned Small Business) and Hubzone Small Business Plan dated November 8, 2004 is incorporated into the contract as Attachment No. 2 under Section J.

H-19 Contractor's Representations and Certifications

The Contractor's Representations and Certifications submitted on October 19, 2004 is incorporated herein by reference and made part of this contract.

H-20 Foreign Access to and Export Control of Technology

(a) Access to any technology development by and export of any technology development to foreign firms or institutions under the contract shall be restricted and controlled in compliance with 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.) These regulations implement several statutes, including the Arms Export Control Act, 22 U.S.C. 2778 et seq., which includes civil and criminal penalties.

(b) The Contractor shall restrict foreign access to all technology being developed under the contract and manage the export control of technology to foreign firms and institutions. In any event that the Contractor is in non-compliance with this requirement, the Contractor will be subject to the civil and criminal penalties as described in paragraph (a) above.

(c) The Contractor shall flow down to the subcontracts at all tiers this special provision and the provisions of the International Traffic in Arms Regulation, the Department of Defense Industrial Security Regulation, and the Department of Commerce Export Control Regulation as described in paragraph (a) above.

Section I - Contract Clauses

CLAUSES INCORPORATED BY REFERENCE

52.202-1	Definitions	JUL 2004
52.203-3	Gratuities	APR 1984
52.203-5	Covenant Against Contingent Fees	APR 1984
52.203-6	Restrictions On Subcontractor Sales To The Government	JUL 1995
52.203-7	Anti-Kickback Procedures	JUL 1995
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity	JAN 1997
52.203-10	Price Or Fee Adjustment For Illegal Or Improper Activity	JAN 1997
52.203-12	Limitation On Payments To Influence Certain Federal Transactions	JUN 2003
52.204-4	Printed or Copied Double-Sided on Recycled Paper	AUG 2000
52.209-6	Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment	JAN 2005
52.211-15	Defense Priority And Allocation Requirements	SEP 1990
52.215-2	Audit and Records--Negotiation	JUN 1999
52.215-10	Price Reduction for Defective Cost or Pricing Data	OCT 1997
52.215-12	Subcontractor Cost or Pricing Data	OCT 1997
52.215-13	Subcontractor Cost or Pricing Data--Modifications	OCT 1997
52.215-14	Integrity of Unit Prices	OCT 1997
52.215-15	Pension Adjustments and Asset Reversions	OCT 2004
52.215-17	Waiver of Facilities Capital Cost of Money	OCT 1997
52.215-18	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other than Pensions	OCT 1997
52.215-19	Notification of Ownership Changes	OCT 1997
52.215-20	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data	OCT 1997
52.215-21	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data--Modifications	OCT 1997
52.216-7	Allowable Cost And Payment	DEC 2002
52.216-8	Fixed Fee	MAR 1997
52.217-7	Option For Increased Quantity--Separately Priced Line Item	MAR 1989
52.217-9	Option To Extend The Term Of The Contract	MAR 2000
52.219-8	Utilization of Small Business Concerns	MAY 2004
52.219-9	Small Business Subcontracting Plan	JAN 2002
52.219-16	Liquidated Damages-Subcontracting Plan	JAN 1999
52.222-2	Payment For Overtime Premiums	JUL 1990
52.222-3	Convict Labor	JUN 2003
52.222-21	Prohibition Of Segregated Facilities	FEB 1999
52.222-26	Equal Opportunity	APR 2002
52.222-35	Equal Opportunity For Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans	DEC 2001
52.222-36	Affirmative Action For Workers With Disabilities	JUN 1998
52.222-37	Employment Reports On Special Disabled Veterans, Veterans Of The Vietnam Era, and Other Eligible Veterans	DEC 2001
52.223-6	Drug-Free Workplace	MAY 2001
52.223-14	Toxic Chemical Release Reporting	AUG 2003
52.225-13	Restrictions on Certain Foreign Purchases	DEC 2003
52.227-1 Alt I	Authorization And Consent (Jul 1995) - Alternate I	APR 1984

52.227-2	Notice And Assistance Regarding Patent And Copyright Infringement	AUG 1996
52.227-12	Patent Rights--Retention By The Contractor (Long Form)	JAN 1997
52.228-7	Insurance--Liability To Third Persons	MAR 1996
52.230-1	Cost Accounting Standards Notices And Certification	JUN 2000
52.230-3	Disclosure And Consistency Of Cost Accounting Practices	APR 1998
52.230-6	Administration of Cost Accounting Standards	NOV 1999
52.232-9	Limitation On Withholding Of Payments	APR 1984
52.232-22	Limitation Of Funds	APR 1984
52.232-23	Assignment Of Claims	JAN 1986
52.232-25	Prompt Payment	OCT 2003
52.232-33	Payment by Electronic Funds Transfer--Central Contractor Registration	OCT 2003
52.233-1	Disputes	JUL 2002
52.233-3 Alt I	Protest After Award (Aug 1996) - Alternate I	JUN 1985
52.242-1	Notice of Intent to Disallow Costs	APR 1984
52.242-3	Penalties for Unallowable Costs	MAY 2001
52.242-4	Certification of Final Indirect Costs	JAN 1997
52.242-13	Bankruptcy	JUL 1995
52.242-15 Alt I	Stop-Work Order (Aug 1989) - Alternate I	APR 1984
52.243-2 Alt V	Changes--Cost-Reimbursement (Aug 1987) - Alternate V	APR 1984
52.244-2 Alt I	Subcontracts (Aug 1998) - Alternate I	AUG 1998
52.244-5	Competition In Subcontracting	DEC 1996
52.244-6	Subcontracts for Commercial Items	JUL 2004
52.245-5 Dev	Government Property (Cost-Reimbursement, Time-and-Material, or Labor-Hour Contracts) Deviation	MAY 2004
52.245-19	Government Property Furnished "As Is"	APR 1984
52.246-23	Limitation Of Liability	FEB 1997
52.246-24	Limitation Of Liability--High-Value Items	FEB 1997
52.247-1	Commercial Bill Of Lading Notations	APR 1984
52.247-63	Preference For U.S. Flag Air Carriers	JUN 2003
52.249-6	Termination (Cost Reimbursement)	MAY 2004
52.249-14	Excusable Delays	APR 1984
52.251-1	Government Supply Sources	APR 1984
52.253-1	Computer Generated Forms	JAN 1991
252.201-7000	Contracting Officer's Representative	DEC 1991
252.203-7001	Prohibition On Persons Convicted of Fraud or Other Defense-Contract-Related Felonies	MAR 1999
252.203-7002	Display Of DOD Hotline Poster	DEC 1991
252.204-7000	Disclosure Of Information	DEC 1991
252.204-7003	Control Of Government Personnel Work Product	APR 1992
252.204-7004 Alt A	Required Central Contractor Registration Alternate A	NOV 2003
252.205-7000	Provision Of Information To Cooperative Agreement Holders	DEC 1991
252.209-7000	Acquisition From Subcontractors Subject To On-Site Inspection Under The Intermediate Range Nuclear Forces (INF) Treaty	NOV 1995
252.209-7004	Subcontracting With Firms That Are Owned or Controlled By The Government of a Terrorist Country	MAR 1998
252.211-7003	Item Identification and Valuation	JAN 2004
252.215-7000	Pricing Adjustments	DEC 1991
252.215-7002	Cost Estimating System Requirements	OCT 1998
252.219-7003	Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (DOD Contracts)	APR 1996
252.225-7012	Preference For Certain Domestic Commodities	JUN 2004

252.225-7016	Restriction On Acquisition Of Ball and Roller Bearings	MAY 2004
252.227-7003	Termination	AUG 1984
252.227-7014	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation	JUN 1995
252.227-7015	Technical Data--Commercial Items	NOV 1995
252.227-7016	Rights in Bid or Proposal Information	JUN 1995
252.227-7019	Validation of Asserted Restrictions--Computer Software	JUN 1995
252.227-7027	Deferred Ordering Of Technical Data Or Computer Software	APR 1988
252.227-7030	Technical Data--Withholding Of Payment	MAR 2000
252.227-7037	Validation of Restrictive Markings on Technical Data	SEP 1999
252.231-7000	Supplemental Cost Principles	DEC 1991
252.232-7003	Electronic Submission of Payment Requests	JAN 2004
252.235-7010	Acknowledgment of Support and Disclaimer	MAY 1995
252.235-7011	Final Scientific or Technical Report	SEP 1999
252.242-7004	Material Management And Accounting System	DEC 2000
252.243-7002	Requests for Equitable Adjustment	MAR 1998
252.244-7000	Subcontracts for Commercial Items and Commercial Components (DoD Contracts)	MAR 2000
252.245-7001	Reports Of Government Property	MAY 1994
252.247-7023	Transportation of Supplies by Sea	MAY 2002
252.247-7024	Notification Of Transportation Of Supplies By Sea	MAR 2000
252.251-7000	Ordering From Government Supply Sources	NOV 2004

REMARKS

Remarks: At FAR 52.222-2, insert "0" in the spaces as indicated by an asterisk(*)

CLAUSES INCORPORATED BY FULL TEXT**52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)**

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es): <http://www.arnet.gov/far>

52.252-6 AUTHORIZED DEVIATIONS IN CLAUSES (APR 1984)

~~(a) The use in this solicitation or contract of any Federal Acquisition Regulation (48 CFR Chapter 1) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the clause.~~

(b) The use in this solicitation or contract of any N/A (48 CFR N/A) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

Section J - List of Documents, Exhibits and Other Attachments

- | | |
|-------------------------|---|
| Attachment No. 1 | Advance Agreement to Authorize Incurrence of Pre-Award Costs (as amended)
(3 pages) |
| Attachment No. 2 | Small, Small Disadvantaged, Woman-Owned Small Business Veteran-Owned Small Business (Including Service-Disabled Veteran-Owned Small Business) and Hubzone Small Business Plan dated November 8, 2004 (3 pages) |

HR0011-05-C-0005

ATTACHMENT NO. 1

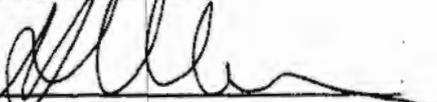
**ADVANCE AGREEMENT TO AUTHORIZE
INCURRENCE OF PRE-AWARD COSTS (as amended)**

**ADVANCE AGREEMENT TO AUTHORIZE INCURRENCE OF
PRE-AWARD COSTS UNDER CONTRACT HR0011-05-C-0005**

REFERENCE: International Systems, LLC, a subsidiary of the Titan Corporation, Proposal entitled, "Long Gun System," dated August 4, 2004, revised November 8, 2004

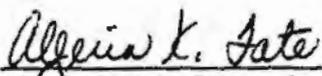
The Advance Agreement, dated October 7, 2004, extended on November 29, 2004, to authorize costs under the subject contract, is further amended to extend the period of coverage from December 31, 2004 through January 31, 2005. The amount of funds obligated, committed or expended under the Advance Agreement, and all other terms and conditions remain unchanged.

For the Contractor:


(Signature)

Robert J. Whalen, President
(Name and Title)

For the Government:


Algeria K. Tate, Contracting Officer
Defense Advanced Research Projects Agency
Contracts Management Office



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

**ADVANCE AGREEMENT TO AUTHORIZE INCURRENCE OF
PRE-AWARD COSTS UNDER CONTRACT HR0011-05-C-0005**

REFERENCE: International Systems, LLC, a subsidiary of the Titan Corporation, Proposal entitled, "Long Gun System," dated August 4, 2004, revised November 8, 2004

The Advance Agreement, dated October 7, 2004, to authorize costs under the subject contract, is amended to extend the period of coverage from November 30, 2004 through December 31, 2004. The amount of funds obligated, committed or expended under the Advance Agreement is also increased to no more than \$900,000. All other terms and conditions remain unchanged.

For the Contractor:

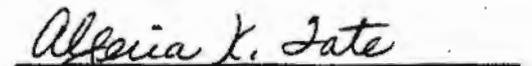


(Signature)

Robert J. Whalen, President
(Name and Title)

November 29, 2004
(Date)

For the Government:



Algeria K. Tate, Contracting Officer
Defense Advanced Research Projects Agency
Contracts Management Office

11/29/04
(Date)



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

**ADVANCE AGREEMENT TO AUTHORIZE INCURRENCE OF
 PRE-AWARD COSTS UNDER CONTRACT HR0011-05-C-0005**

REFERENCE: International Systems, LLC, a subsidiary of the Titan Corporation, Proposal entitled, "Long Gun System," dated August 4, 2004

Defense Advanced Research Projects Agency (DARPA), Contracts Management Office (CMO), has received a valid and properly funded requirement for International Systems, LLC, a subsidiary of the Titan Corporation, to research and demonstrate the feasibility of the Long Gun operational system in support of DARPA Innovative Tactical Technology program initiatives.

Since the Contracting Officer has determined that incurrence of costs before the effective date of the contract is necessary to ensure compliance with the proposed delivery schedule, the Government and the Contractor agree as follows:

FIRST: In the event a contract is awarded, pre-award costs, not to exceed \$600,000 shall be allowable expense, provided that the individual costs therein shall be

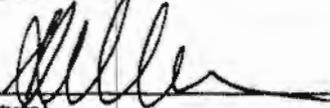
- (a) otherwise allowable, reasonable, and allocable;
- (b) incurred no sooner than October 7, 2004 and no later than November 30, 2004; and
- (c) incurred specifically and exclusively to accomplish work described in the Statement of Work (specifically Phase I) contained in the above referenced proposal.

SECOND: Contract specifications and price(s) shall be agreed to by the earlier of:

- (a) November 30, 2004; or,
- (b) the date on which the amount of funds obligated, committed or expended under this Advance Agreement is equal to no more than \$600,000.

THIRD AND FINALLY: It is the intention of the Government to award a contract to the Contractor, subject to final agreement on terms, specifications and price(s), which contract shall incorporate this Advance Agreement. It is understood and agreed by both parties that this Agreement concerns the treatment of pre-award costs in the event of award of a contract. This Agreement does not require the Contractor to incur any such costs, and any costs incurred are at the risk of the Contractor, pending the award of a contract.

For the Contractor:


 (Signature)

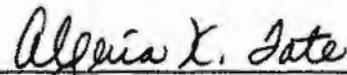
Robert J. Whalen, President

(Name and Title)

October 7, 2004

(Date)

For the Government:


 Algeria K. Tate, Contracting Officer
 Defense Advanced Research Projects Agency
 Contracts Management Office

10/7/04
 (Date)

ATTACHMENT NO. 2

**Small, Small Disadvantaged, Woman-Owned Small Business
Veteran-Owned Small Business (Including Service-Disabled Veteran-Owned
Small Business) and Hubzone Small Business Plan
dated November 8, 2004**

Subcontracting Plan:

**Small, Small Disadvantaged,
Woman-Owned Small Business
Veteran-Owned Small Business (Including
Service-Disabled Veteran-Owned Small Business)
and Hubzone Small Business**

8 November 2004

**International Systems, LLC, d.b.a. Titan International Systems
9925 Carroll Canyon Road
San Diego, CA 02131-1105**

Submitted in support of:

LONG GUN PROGRAM

**In compliance with Public Law 95-507, and in accordance with rules and
regulations implementing Section 211 thereof, and FAR 52.219-9, the following
Subcontracting Plan is submitted by**

International Systems, LLC d.b.a. Titan International Systems

This document includes data that shall not be disclosed outside the Contracting Agency and shall not be duplicated, used or disclosed in whole or in part, for any purpose other than to evaluate this submission. If, however, a contract is awarded to the offeror or quotee as a result of - or in connection with - the submission of this data, the Contracting Agency shall have the right to duplicate, use or disclose the data to the extent provided in the resulting contract. This restriction does not limit the Contracting Agency's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained on all sheets.

International Systems, LLC, d.b.a. Titan International Systems

Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal or quotation.

1. Goals

Goals for subcontracting with Small Business (SB), Small Disadvantaged Business (SDB), Woman-Owned Small Business (WOSB), Veteran-Owned Small Business (VOSB), Service-Disabled Veteran-Owned Small Business (SDVOSB), and HUBZone Small Business concerns for this contract line item for Phases I and II tasks are:

Subcontract Goals	Percentage	Amount
Total Contract Amount	-	\$11,650,00.00
Total To Be Subcontracted	100.00%	2,673,923.00
a. To Large Business	68.4%	1,829,308.00
b. To Small Business	31.6%	844,615.00
i. Subtotal. To Small Business	26.6%	711,264.00
ii. Subtotal. To Small Disadvantaged Business	1%	26,670.00
iii. Subtotal. To Woman-Owned Business	1%	26,670.00
iv. Subtotal. To Veteran-Owned Business (not including Service-Disabled Veteran-Owned)	1%	26,670.00
v. Subtotal - To Service-Disabled Veteran Owned)	1%	26,670.00
vi. Subtotal. To HUBZone Small Business	1%	26,670.00

2. DESCRIPTION OF THE PRINCIPAL TYPES OF SUPPLIES AND SERVICES TO BE SUBCONTRACTED:

SERVICE/PRODUCT	LB	SB	VOSB	SDVOSB	HUBSDB	WOSB
SYSTEM AIRFRAME	X	X	X	X	X	X
FLIGHT AVIONICS	X	X				
SENSOR/DATA LINK		X	X			
LAUNCHER SYSTEM	X					
GROUND CONTROL STATION	X					
FLIGHT TESTING	X					
ADBL LAUNCHER SYSTEM	X					
MULTI.VEHICLE COMM/CNTRL	X					
DISPENSER AERIAL CABLE	X					

International Systems, LLC d.b.a. Titan International Systems has reviewed the requirements of this solicitation in accordance with DFARS 252.219-7003 and has found no opportunities exist at this time for the utilization of Historically Black Colleges and Universities and Minority Institutions. International Systems, LLC d.b.a. Titan International Systems has reviewed the counties with qualified HUBZones and

International Systems, LLC, d.b.a. Titan International Systems

Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal or quotation.

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				I. CONTRACT ID CODE	PAGE OF PAGES
				U	1 2
2. AMENDMENT/MODIFICATION NO. P00001		3. EFFECTIVE DATE 07MAR2005	4. REQUISITION/PURCHASE REQ. NO.		5. PROJECT NO. (if applicable)
6. ISSUED BY DARPA CMO ATTN: ALGERIA TATE 3701 NORTH FAIRFAX DRIVE ARLINGTON VA 22203-1714		CODE HF0011	7. ADMINISTERED BY (If other than item 6) DCMA SAN DIEGO 7875 DAGGET STREET SUITE 200 SAN DIEGO CA 92111-2241		CODE S0514A
8. NAME AND ADDRESS OF CONTRACTOR (No., Street, County, State and Zip Code) INTERNATIONAL SYSTEMS LLC 9925 CARROLL CANYON ROAD SAN DIEGO CA 92131-1108				9A. AMENDMENT OF SOLICITATION NO.	
				9B. DATED (SEE ITEM 11)	
				X 10A. MOD. OF CONTRACT/ORDER NO. HF0011-05-C-0005	
				X 10B. DATED (SEE ITEM 13) 01-Feb-2005	
CODE 09AC7		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)					
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACT 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).					
X C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: FAR 43.103(a)					
D. OTHER (Specify type of modification and authority)					
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input checked="" type="checkbox"/> is required to sign this document and return <u>2</u> 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: atate05433					
(See Page 2)					
(Modification P00001 to Contract HF0011-05-C-0005)					
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) <i>Henrico B. Ramirez</i>			16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Algeria K. Tate		
15B. CONTRACTOR/OFFEROR <i>International Systems LLC</i>			15C. DATE SIGNED 03/03/05	16B. UNITED STATES OF AMERICA BY <i>Algeria K. Tate</i>	16C. DATE SIGNED 07 MAR 2005
(Signature of person authorized to sign)				(Signature of Contracting Officer)	

EXCEPTION TO SF 30
APPROVED BY OIRM 11-84

30-105-04

STANDARD FORM 30 (Rev. 10-83)
Prescribed by GSA
FAR (48 CFR) 53.243

SECTION SF 30 BLOCK 14 CONTINUATION PAGE

SUMMARY OF CHANGES

The purpose of the modification is to incorporate the DD Form 254, Contract Security Classification Specification, dated March 1, 2005 into the contract as Attachment No. 3. A copy of Attachment No. 3 is attached hereto. Accordingly, make the following changes:

SECTION H - SPECIAL CONTRACT REQUIREMENTS

Add Section H-21 - Military Security Classification - as follows:

H-21 Military Security Classification

Military security requirements in the performance of this contract shall be maintained in accordance with the DD Form 254, Contract Security Classification Specification, contained in Section J, Attachment No. 3.

SECTION I - CONTRACT CLAUSES

Add the following clauses by reference:

52.204-2	Security Requirements	AUG 1996
52.227-10	Filing Of Patent Applications--Classified Subject Matter	APR 1984
252.227-7013	Rights in Technical Data--Noncommercial Items	NOV 1995

Delete the following clause:

252.227-7003	Termination	AUG 1984
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SECTION J - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

Add the following description of Attachment No. 3:

Attachment No. 3	DD Form 254, Contract Security Classification Specification, dated March 1, 2005 (4 pages)
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~ End ~

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE	PAGE OF PAGES
				U	1 2
2. AMENDMENT/MODIFICATION NO. F00002	3. EFFECTIVE DATE 06-Apr-2005	4. REQUISITION/PURCHASE REQ. NO. SEE SCHEDULE		5. PROJECT NO. (if applicable)	
6. ISSUED BY DARPA CMO ATTN: ALGERIA TATE 3701 NORTH FAIRFAX DRIVE ARLINGTON VA 22203-1714	CODE HR0011	7. ADMINISTERED BY (if other than item 6) DCMA SAN DIEGO 7675 DAGGET STREET SUITE 200 SAN DIEGO CA 92111-2241		CODE S0514A	
8. NAME AND ADDRESS OF CONTRACTOR (No., Street, County, State and Zip Code) INTERNATIONAL SYSTEMS LLC 9825 CARROLL CANYON ROAD SAN DIEGO CA 92131-1198				9A. AMENDMENT OF SOLICITATION NO.	
				9B. DATED (SEE ITEM 11)	
				X	10A. MOD. OF CONTRACT/ORDER NO. HR0011-05-C-0005
				X	10B. DATED (SEE ITEM 13) 01-Feb-2005
CODE 09AC7	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.					
X 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:					
D. OTHER (Specify type of modification and authority)					
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: atate05537					
See Page 2					
(Contract HR0011-05-C-0005, Modification F00002)					
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)		
			ALGERIA K TATE/ TEL: 703-695-2304 EMAIL: atate@darpa.mil		
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA		16C. DATE SIGNED	
(Signature of person authorized to sign)		BY <u>Algeria K. Tate</u>		06-Apr-2005	
		(Signature of Contracting Officer)			

SECTION SF 30 BLOCK 14 CONTINUATION PAGE

SUMMARY OF CHANGES

The purpose of the modification is to provide additional funding to incrementally fund CLIN 0001. Accordingly, make the following changes:

SECTION B - SUPPLIES OR SERVICES AND PRICES

Add the following SubCLINs 000102 and 000103:

000102	Funding for CLIN 0001
	ACRN AB: \$850,000.00
000103	Funding for CLIN 0001
	ACRN AC: \$1,460,000.00

SECTION G - CONTRACT ADMINISTRATION DATA

As a result of this modification, the total funded amount for CLIN 0001 is increased by \$2,310,000.00 from \$2,450,000.00 to \$4,760,000.00.

Add the following lines of accounting under Section G-4 - Accounting and Appropriation Data:

ACRN

AB	9740400 1320 U547 P4J30 2525 DPAC 4 5622 S12136 63764E	\$850,000.00
	(ARPA Order No. U547/00)	
AC	9750400 1320 U547 P5C40 2525 DPAC 5 5288 S12136 63286E	\$1,460,000.00
	(ARPA Order No. U547/01)	

Revise Section G-8 - Notice of Limitation of Liability - Incremental Funding to read as follows:

G-8 Notice of Limitation of Liability - Incremental Funding

The total estimated cost plus fixed fee of this contract as set forth in Section B shall be subject to incremental funding with \$4,760,000.00 presently available for payment and allotted under this contract. Of the total funding presently available, \$4,448,598.00 has been allotted to total estimated cost, and \$311,402.00 has been allotted to fixed fee. Except in accordance with the clause at FAR 52.232.22, "Limitation of Funds," no legal liability on the part of the Government for payment of any money in excess of \$4,760,000.00 shall arise unless and until additional funds are made available by the Contracting Officer through written modification to this contract.

~ End ~

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE	PAGE OF PAGES
2. AMENDMENT/MODIFICATION NO. P00003		3. EFFECTIVE DATE 06 Oct 2005	4. REQUISITION/PURCHASE REQ. NO.		U 1 3
6. ISSUED BY DARPA CMO ATTN: ALGERIA TATE 3701 NORTH FAIRFAX DRIVE ARLINGTON VA 22203-1714		CODE HF0011	7. ADMINISTERED BY (If other than item 6) DCMA SAN DIEGO 7675 DAGGET STREET SUITE 200 SAN DIEGO CA 92111-2241		CODE S0514A
8. NAME AND ADDRESS OF CONTRACTOR (No., Street, County, State and Zip Code) INTERNATIONAL SYSTEMS LLC 9226 CARROLL CANYON ROAD SAN DIEGO CA 92131-1188				9A. AMENDMENT OF SOLICITATION NO.	
				9B. DATED (SEE ITEM 11)	
				X 10A. MOD. OF CONTRACT/ORDER NO. HF0011-05-C-0005	
				X 10B. DATED (SEE ITEM 13) 01-Feb-2005	
CODE 09AC7		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)					
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACT 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).					
X C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: FAR 43.103(a)					
D. OTHER (Specify type of modification and authority)					
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input checked="" type="checkbox"/> is required to sign this document and return <u>2</u> 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: ata063					
(See Pages 2 and 3)					
(Contract HF0011-05-C-0005, Modification P00003)					
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) <i>Algeria K. Tate</i> Mr. Contract Administrator/S&D/EGO			16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Algeria K. Tate		
15B. CONTRACTOR/OFFEROR <i>International Systems LLC</i> (Signature of person authorized to sign)			15C. DATE SIGNED Oct 5, 2005		16B. UNITED STATES OF AMERICA BY <i>Algeria K. Tate</i> (Signature of Contracting Officer)
					16C. DATE SIGNED 10/6/05

EXEMPTION TO SP-36
APPROVED BY OIRM 11-84

30-105-04

STANDARD FORM 30 (Rev. 10-83)
Prescribed by GSA
FAR (48 CFR) 53.243

SECTION SF 30 BLOCK 14 CONTINUATION PAGE

SUMMARY OF CHANGES

Pursuant to the Contractor's letter request dated August 25, 2005, the purpose of the modification is to extend the contract term from October 6, 2005 through January 31, 2006 at no additional costs to the Government. Further, the modification revises the program office description for the Contracting Officer's Representative. Accordingly, make the following changes:

(1) STANDARD FORM 26 (SF 26)

The program office description for the Contracting Officer's Representative, Dr. Darryll Pines, is changed and reflected in Block 11 - Ship To / Mark For - of the SF 26 as follows:

DARPA
DR. DARRYLL PINES
ATTN: DEFENSE SCIENCES OFFICE
3701 NORTH FAIRFAX DRIVE
ARLINGTON VA 22203-1714
(571) 218 4339

(2) SECTION F - DELIVERIES OR PERFORMANCE

Revise paragraph (a) of Section F-1 - Term of Contract - to read as follows:

(a) As authorized by the Advance Agreement to Authorize Incurrence of Pre-Award Costs (as amended) incorporated into the contract as Attachment No. 1, the period of performance for the basic contract, Clines 0001 and 0002, commences on October 7, 2004 and continues through **January 31, 2006**.

Revise paragraph (b) of Section F-3 - Distribution of Reports and Other Deliverables - to read as follows and add new distribution requirement under paragraph (g):

- (b) **DARPA/Defense Sciences Office (DSO)**
ATTN: Dr. Darryll Pines, Contracting Officer's Representative (COR)
3701 N. Fairfax Drive
Arlington, VA 22203-1714
Email: darryll.pines@darpa.mil
(One ORIGINAL of every report and deliverable)

- (g) **DARPA/Defense Sciences Office (DSO)**
ATTN: Riva Meade, Assistant Director, Program Management
3701 N. Fairfax Drive
Arlington, VA 22203-1714
Email: riva.meade@darpa.mil
(One copy of the R&D Progress, Status and Management Report, and Final Report)

(3) SECTION G - CONTRACT ADMINISTRATION DATA

Revise the program office description for the COR in paragraph (a) of Section G-3 - Contracting Officer's Representative (COR) - as follows:

(a) Performance of work under this contract shall be subject to the technical direction of Dr. Darryll Pines, Contracting Officer's Representative (COR), **DARPA Defense Sciences Office (DSO)**, Telephone (571) 218-4339, Fax: (703) 696-8401, E-mail: dpines@darpa.mil.

~ End ~



AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE	PAGE OF PAGES	
				U	1 3	
2. AMENDMENT/MODIFICATION NO. P00004	3. EFFECTIVE DATE 01 DEC 2005	4. REQUISITION/PURCHASE REQ. NO. U64702		5. PROJECT NO. (if applicable)		
6. ISSUED BY DARPA CMO ATTN: ALGERIA TATE 3701 NORTH FAIRFAX DRIVE ARLINGTON VA 22203-1714	CODE HR0011	7. ADMINISTERED BY (if other than item 6) DCMA SAN DIEGO 7675 DAGGET STREET SUITE 200 SAN DIEGO CA 92111-2241		CODE S0514A		
8. NAME AND ADDRESS OF CONTRACTOR (No., Street, County, State and Zip Code) INTERNATIONAL SYSTEMS LLC 9925 CARROLL CANYON ROAD SAN DIEGO CA 92131-1198				9A. AMENDMENT OF SOLICITATION NO.		
				9B. DATED (SEE ITEM 11)		
				X	10A. MOD. OF CONTRACT/ORDER NO. HR0011-05-C-0006	
				X	10B. DATED (SEE ITEM 13) 01-Feb-2005	
CODE 09AC7	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.						
<p>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:</p> <p>(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.</p>						
12. ACCOUNTING AND APPROPRIATION DATA (If required) See Schedule						
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACT/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).						
X C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF FAR 43.103(a), FAR 52.232-20						
D. OTHER (Specify type of modification and authority)						
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input checked="" type="checkbox"/> is required to sign this document and return <u>2</u> 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: atate06115						
(See Pages 2 and 3)						
(Contract HR0011-05-C-0006, Modification P00004)						
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) Henrico T. Ramirez MANAGER CONTRACTS / SBLO / EEO			16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Algeria K. Tate			
15B. CONTRACTOR/OFFEROR [Signature] (Signature of person authorized to sign)			15C. DATE SIGNED Nov. 29, 2005		16B. UNITED STATES OF AMERICA BY Algeria K. Tate (Signature of Contracting Officer)	
					16C. DATE SIGNED 12/1/05	

EXCEPTION TO SF 30)
APPROVED BY OIRM 11-84

30-105-04

STANDARD FORM 30 (Rev. 10-83)
Prescribed by GSA
FAR (48 CFR) 53.243

SECTION SF 30 BLOCK 14 CONTINUATION PAGE

SUMMARY OF CHANGES

The purpose of the modification is to:

1. re-define the Go/No-Go criteria under the Scope of Work in Section C-1;
2. add new report and deliverable requirements in Section C-2;
3. add new delivery requirements in Section F-1;
4. revise voucher submission and approval process in Section G-5; and
5. provide the balance of funds to fully fund the contract.

SECTION B - SUPPLIES OR SERVICES AND PRICES

Add the following SubCLIN 000104:

<u>CONTRACT LINE ITEM NO. (CLIN)</u>	<u>SUPPLIES/SERVICES</u>	<u>ESTIMATED COST</u>	<u>FIXED FEE</u>	<u>TOTAL ESTIMATED COST PLUS FIXED FEE</u>
000104	Funding for CLIN 0001 ACRN AC: \$902,114.00 AO No. U547/02			

SECTION C - DESCRIPTION AND SPECIFICATIONS

At Section C-1 - Scope of Work, the Go/No-Go decision criteria listed under subparagraph (c)(1) are restated to read as follows:

- Critical System Design Review
 - Airframe Wind Tunnel Test
 - Aerodynamic Performance Analysis
 - Final Airframe/Component Design
- Ducted fan demonstrates performance necessary to meet or exceed requirements
 - Measure ducted fan engine performance (30 hours)
- 12-hour flight test with ducted fan engine
- Test Design Review
 - Review the Objectives/Goals, success criteria and test configuration of all risk reduction ground and flight tests
 - Close out of all action items resulting from review meeting

Section C-2 - Reports and Other Deliverables is amended to add the following new requirements:

- (5) Critical Design Review, in accordance with Go/No-Go Criteria under C-1.
- (6) Test Design Review, in accordance with Go/No-Go Criteria under C-1.

SECTION F - DELIVERIES OR PERFORMANCE

Section F-2 - Reports and Other Deliverables is amended to add the following new delivery requirements:

<u>Description</u>	<u>Due Date</u>
Critical Design Review	December 15, 2005
Test Design Review	January 15, 2006

SECTION G - CONTRACT ADMINISTRATION DATA

At Section G-4 - Accounting and Appropriation Data, the total funded amount for the contract is increased by \$902,114.00 from \$4,760,000.00 to \$5,662,114.00.

Add the following increment of funds:

ACRN AC 9750400 1320 U547 P5C40 2525 DPAC 5 5288 S12136 63286E \$902,114.00
(ARPA Order U547/02)

At Section G-5 - Invoices - paragraphs (a) and (b) are restated as follows:

(a) Vouchers - Original plus three (3) copies, identified by contract number, with supporting statements which validate milestone completion under the Go/No-Go Criteria in Section C-1, shall be submitted for review to the following audit agency:

Defense Contract Audit Agency (DCAA)
Western Region - San Diego Branch Office
7675 Dagget Street, Suite 300
San Diego, CA92111-2241
or
as directed by DCAA

DCAA shall not forward any future voucher for payment without the approval of the Contracting Officer.

(b) In addition to the above, one copy of each voucher, with milestone validation, submitted for payment shall be submitted to the Contracting Officer and the COR of this contract. The Contracting Officer must provide approval to DCAA before submittal to the payment office.

At Section G-8 - Notice of Limitation of Liability - Incremental Funding, the contract is fully funded and also subject to FAR 52.232-20 Limitation of Cost. The total available funding for the contract is increased by the amount of \$902,114.00 to \$5,662,114.00; of which \$5,291,695.00 is the cost and the remaining \$370,419.00 is the fixed fee.

SECTION I - CONTRACT CLAUSES

Add: FAR 52.232-20 - Limitation of Cost

- End -

SECTION SF 30 BLOCK 14 CONTINUATION PAGE

SUMMARY OF CHANGES

The purpose of the modification is to provide: 1) additional funding in the amount of \$471,940.00 to fund the estimate to complete (without fee) within the current scope of work under CLIN 0001, thereby increasing both the total amount of contract and total amount of funding from \$5,662,114.00 by \$471,940.00 to \$6,134,054.00, 2) reduce the Go/No-Go criteria for the Gov sponsored test from 12 hr flt demonstration to 2+ hrs due to range safety concerns and 3) to also officially transfers Government Furnished Equipment (GFE) to the Contractor for flight tests under the contract, and incorporates additional report/deliverable requirements. Accordingly, make the following changes:

SECTION A - SOLICITATION/CONTRACT FORM

The 'issued by' organization is changed from

DARPA
CMO
ATTN: ALGERIA K. TATE
3701 NORTH FAIRFAX DRIVE
ARLINGTON VA 22203-1714

to

DARPA
CMO
ATTN: CHRISTOPHER GLISTA
3701 N. FAIRFAX DR.
ARLINGTON VA 22203

On Standard Form (SF) 26, Block 15G - Total Amount of Contract - is revised to read: \$6,134,054.00.

Section B - Supplies or Services and Prices

The estimated cost, fixed fee, and total estimated cost plus fixed fee (CPFF) for CLIN 0001 are revised as follows:

<u>CLIN 0001</u>	<u>From</u>	<u>by</u>	<u>To</u>
Estimated Cost	(b)(4)	(b)(4)	(b)(4)
Fixed Fee			
Estimated CPFF	\$5,662,114.00	\$471,940.00	\$6,134,054.00

The Total Contract Consideration of the contract is revised to read as follows:

<u>Estimated Cost</u>	<u>Fixed Fee</u>	<u>Total Estimated Cost Plus Fixed Fee</u>
(b)(4)	(b)(4)	\$6,134,054.00

Section C - Reports and Other Deliverables

Change milestones under Section C-1 - Scope of Work, as follows:

- Remove: "12-hour flight test with ducted fan engine" and replace with "2+ hours flight test w/ducted fan and 6 DoF simulation updated showing 12 hrs of endurance for current Phase I configuration."

Add two new milestones under Section C-1 - Scope of Work, as follows:

- Flight Test Report
- Submission of Final Report

Per Section G-5 - Invoices, vouchers shall not be submitted to the payment office by DCAA until completion of the Go/No-Go Criteria in Section C-1 is verified and approval is granted to DCAA by the Contracting Officer

Add new report/deliverable requirements under Section C-2 - Reports and Other Deliverables, as follows:

(7) Flight Test: The flight test consists of attempting a flight effort including a launch off the ground rail. The results shall be documented in a quick look documentation/report of actual performance versus flight predictions of GN&C, aerodynamics, other subsystems and analysis of any discrepancies.

(8) Phase Final Report: This final report for flight test shall be submitted by August 31, 2006 to include long gun system development, vehicle details and description, and flight test results.

Section F - Deliveries and Performance

The term of the contract is extended from January 31, 2006 by seven (7) months through August 31, 2006. Paragraph (a) of Section F-1 - Term of Contract - is revised to read as follows:

F-1 Term of Contract

(a) As authorized by the Advance Agreement to Authorize Incurrence of Pre-Award Costs (as amended) incorporated into the contract as Attachment No. 1, the period of performance for the basic contract, CLINs 0001 and 0002, commences on October 7, 2004 and continues through August 31, 2006.

Add delivery schedule for the new report/deliverable requirements under Section F-2 - Reports and Other Deliverables:

<u>Description</u>	<u>Due Date</u>
Flight Test	As coordinated with COR before July 31, 2006
Final Report for Flight Test	August 31, 2006

Paragraph (a) of Section F-3 - Distribution of Reports and Other Deliverables - is revised to read as follows:

- (a) DARPA/Contracts Management Office (CMO)
ATTN: Christopher Glista, Contracting Officer
3701 N. Fairfax Drive
Arlington, VA 22203-1714
(One copy of the R&D Progress, Status and Management Report, and Final Report;
a copy of the cover letter only for other reports)

Section G - Contract Administration Data

Section G-1 - Procuring Office Representative - is revised to read as follows:

The Procuring Office Representative is Christopher Glista, DARPA Contracts Management Office (CMO), 3701 North Fairfax Drive, Arlington, VA 22203-1714, Telephone: (571) 218-4405, Fax: (571) 218-4670, E-mail: christopher.glista@darpa.mil.

Accounting and Appropriation

Summary for the Payment Office

As a result of this modification, the total funded amount for the contract is increased by \$471,940.00 from \$5,662,114.00 to \$6,134,054.00.

SUBCLIN 000103:

ARCN AC

9750400 1320 U547 P5C40 2525 DPAC 5 5288 S12136
is increased by \$1,374,054.00 from \$1,460,000.00 to \$2,834,054.00

SUBCLIN 000104:

ARCN AC

9750400 1320 U547 P5C40 2525 DPAC 5 5288 S12136 63286E
is decreased by \$902,114.00 from \$902,114.00 to \$0.00

At Section G-4 - Accounting and Appropriation Data, the total funded amount for the contract is increased by \$471,940.00 from \$5,662,114.00 to \$6,134,054.00.

Delete Section G-8 - Notice of Limitation of Liability - Incremental Funding - in its entirety. The contract is fully funded.

Section H - Special Contract Requirements

At Section H-14 - Government Furnished Property (GFP) - the first sentence is deleted and revised to reflect the total number of Affordable Weapon assemblies to be furnished to the Contractor under the contract.

Delete: "For the performance under the contract, the Government shall furnish to the Contractor nine (9) Affordable Weapon assemblies complete with avionics and solid rocket motor boost assembly."

Replaced with: "For the performance under the contract, the Government shall furnish to the Contractor three (3) Affordable Weapon assemblies complete with avionics."

Add a new Section H-22 as follows:

H-22 Provision and Use of Government Furnished Equipment (GFE)

The Contractor shall utilize the GFE provided under Attachment No. 4, DD Form 1149, Requisition and Invoice/Shipping Document, for one (1) flight test. The cost associated with this test shall be funded by the Government under the existing contract funds. Flights two (2) and three (3) shall be at no additional cost to the Government, if applicable, and are not covered under the scope of this contract. Except for the partial or complete damages to the Long Gun vehicle(s) associated with all phases of the flight test(s) pursuant to this contract document, the Contractor shall be liable for equipment during these tests per the Bailment agreement between the Contractor (International Systems LLC) and the Government (DARPA) which is a separate agreement outside this contract document.

- End -

**Attachment 4 –
Flight Test # 1
Government Furnished Equipment**

The Government Property shown on the attached DD Forms 1149, Requisition and Invoice/Shipping Documents, as well as the property listed below, shall be used for one (1) flight test to be funded by the Government under existing contract funds.

- SafeTEK Flight Termination Transmitter (FTS) (\$8,750)
- Long Gun launch rail (\$20,000)

DEFENSE CONTRACTS ONLY
 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50
REQUISITION AND INVOICE / SHIPPING DOCUMENT

Notes regarding contract for the collection of information for intelligence purposes, including the use of intelligence, are provided in the contract documents and are available to the contractor upon request. The contractor is responsible for ensuring that all information collected is accurate and reliable. The contractor is also responsible for ensuring that all information collected is protected in accordance with the contract documents and applicable laws and regulations.

1. TITLE - PROJECT OR ORDER
 Alternate Program System (APSS) Project Order
 814 Howard St., SE
 Atlanta, GA 30316
 Contract # H58011-06-C-0000

2. TYPE - PROJECT OR ORDER
 Vendor Training Order (VTO)
 5901 South Parker Drive
 Arlington, VA 22204
 Contract # H58011-06-C-0000

3. DATE - ORDER FOR

1. CONTRACT NUMBER	2. CONTRACT DATE	3. CONTRACT VALUE	4. CONTRACT TYPE	5. CONTRACT STATUS
U00713	July 2005	\$300,441.00	DEFENSE CONTRACTS ONLY	ACTIVE

6. APPROXIMATE START AND END DATES	7. OBJECT CLASS	8. EXPENDITURE ACCOUNT TYPE	9. CHARGEABLE ACTIVITY	10. BUREAU CONTROL ACTIVITY NO.	11. BUREAU CONTROL CONTROL NO.	12. AMOUNT
1	STD AIR VEHICLE ASST SER & POW SELL TAG # 5800-8148 was ship in place to C-3	EA				\$300,441.00

13. SIGNATURE

 DATE: 2/9/06

14. PLEASE SIGN AND RETURN 1 COPY TO SENIOR IN BLK 1 AND TO

15. CONTRACT NUMBER	16. CONTRACT DATE	17. CONTRACT VALUE	18. CONTRACT TYPE	19. CONTRACT STATUS

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

REQUISITION AND INVOICE / SHIPPING DOCUMENT

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, reviewing and collecting the data, and reviewing and editing the information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204 Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188), Washington, DC 20503.

1. FROM: **WEEKS AP Co/Inc**
 WEC Camp Roberts
 Camp Roberts CA 90481-8000

2. TO: **Include ZIP Code**
 L-3 COMMUNICATIONS ADVANCE SYSTEMS
 8840 BUSINESS PARK AVE.
 SAN DIEGO CA, 92131

3. SHIP TO: **WORK FOR**

4. APPROPRIATIONS SYMBOL AND SUBHEAD

5. CHARGEABLE ACTIVITY

6. BUREAU CONTROL ACTIVITY NO.

7. BUREAU CONTROL NO.

8. AMOUNT

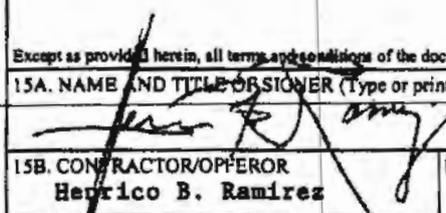
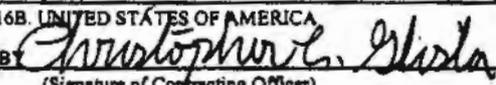
ITEM NO.	QUANTITY RECEIVED	UNIT	DESCRIPTION	OFFICE SYMBOL	BUREAU CONTROL ACTIVITY NO.	BUREAU CONTROL NO.	AMOUNT	TOTAL COST
1	1	EA	RUGGED LAPTOP - GROUND STATION SER # TRACO 00913 TAG # 6100-001				\$8,300.00	\$8,300.00
2	2	EA	LAPTOP COMPUTER, INSPIRON 3000 SER # 1HP22091, 7HP2081 TAG # 6100-208, 6100-209				\$2,722.00	\$5,444.00
3	1	EA	LAUNCH CONTROL ELECTRONICS BOX (LCE) TAG # 6100-614				\$5,000.00	\$5,000.00
4	1	EA	LAUNCH CONTROL REMOTE CONTROL BOX (RCB) TAG # 6100-401				\$2,000.00	\$2,000.00
5	1	EA	ENGINE START BATTERY BOX TAG # 6100-0948				\$400.00	\$400.00
6	1	EA	FIL BOX (PROCESS IN THE LOOP) TAG # 6100-095				\$3,707.00	\$3,707.00
7	1	EA	SPARE EYEBALL ASSEMBLY				\$0.00	\$0.00
8	1	EA	SPARE VCR				\$0.00	\$0.00
9	1	EA	SPARE VCR TAPE				\$0.00	\$0.00
10	1	EA	SPARE CABLE HARNESS FOR SENSOR				\$0.00	\$0.00
11	1	EA	SPARE PCU				\$0.00	\$0.00

SIGN: *[Signature]* DATE: 3/15/06

PLEASE SEND RETURN 1 COPY TO SENIOR IN BKLY AND 10

51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

DD FORM 1149, MAR 68

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE	PAGE OF PAGES	
				U	1	2
2. AMENDMENT/MODIFICATION NO. P00006		3. EFFECTIVE DATE 11-Oct-2006	4. REQUISITION/PURCHASE REQ. NO.		5. PROJECT NO.(if applicable)	
6. ISSUED BY DARPA CMO ATTN: CHRISTOPHER GLISTA 3701 N. FAIRFAX DR. ARLINGTON VA 22203		CODE HR0011	7. ADMINISTERED BY (If other than item 6) DCMA SAN DIEGO 7975 DAGGET STREET SUITE 200 SAN DIEGO CA 92111-2241		CODE S0514A	
8. NAME AND ADDRESS OF CONTRACTOR (No., Street, County, State and Zip Code) INTERNATIONAL SYSTEMS LLC 9825 CARROLL CANYON ROAD SAN DIEGO CA 92131-1198				9A. AMENDMENT OF SOLICITATION NO.		
				9B. DATED (SEE ITEM 11)		
				X 10A. MOD. OF CONTRACT/ORDER NO. HR0011-08-C-0005		
				X 10B. DATED (SEE ITEM 13) 01-Feb-2006		
CODE 09ACZ		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)						
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 data, 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) No-cost extension of the term of the contract						
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input checked="" type="checkbox"/> is required to sign this document and return <u>2</u> 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: jyeung074						
(See Page 2)						
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 STOWER (Type or print) 				16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) CHRISTOPHER L. GLISTA TEL: (571) 218-4405 EMAIL: christopher.glista@darpa.mil		
15B. CONTRACTOR/OFFEROR Erico B. Ramirez (Signature of person authorized to sign)		15C. DATE SIGNED 10 Oct. 2006	16B. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer)		16C. DATE SIGNED 10/11/06	

SECTION SF 30 BLOCK 14 CONTINUATION PAGE

SUMMARY OF CHANGES

The purpose of the modification is to extend the term of the contract through November 30, 2006 at no additional cost to the Government. Accordingly, make the following changes:

SECTION F - DELIVERIES OR PERFORMANCE

At Section F-1 - Term of Contract, extend the term of the contract through November 30, 2006. Revise paragraph (a) to read as follows:

(a) As authorized by the Advance Agreement to Authorize Incurrence of Pre-Award Costs (as amended) incorporated into the contract as Attachment No. 1, the period of performance for the basic contract, CLINs 0001 and 0002, commences on October 7, 2004 and continues through November 30, 2006.

At Section F-2 - Reports and Other Deliverables, change the due date for the Final Report for Flight Test to November 30, 2006 as follows:

Description

Due Date

Final Report for Flight Test

November 30, 2006

~ End ~