



**Articles of Collaboration
and
Membership Application**

13 July 2012

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ARTICLES OF COLLABORATION AND MEMBERSHIP APPLICATION

BORDER SECURITY TECHNOLOGY CONSORTIUM (BSTC)

PURPOSE

These Articles of Collaboration ("Articles") are entered into to establish the Border Security Technology Consortium ("BSTC").

WHEREAS, the BSTC desires to enter into a DHS Management Directive 0771.1 Other Transactions Agreement ("OT Agreement") with the U.S. Government ("Government") for funding certain research and development to be conducted, in partnership with the Government and BSTC Members;

WHEREAS, the BSTC members wish to collaborate to provide quick and efficient delivery of critical border security technologies to enhance the U.S. Department of Homeland Security's border protection capabilities to be conducted in partnership with the Government and BSTC members;

WHEREAS, the BSTC members concurrently wish to develop, sustain and expand their collective technical superiority;

WHEREAS, the BSTC members wish to provide a unified and compelling message regarding the strategic importance of border security technologies in current and future systems;

WHEREAS, the BSTC members wish to define programs and obtain program funding that is focused on the development, demonstration and transition of key technologies that will result in current border security system improvements or the fielding of new systems;

WHEREAS, the OT Agreement provides, among other things, for the grant of certain rights and obligations arising out of the research programs and projects conducted by the Government and the BSTC members pursuant to these Articles;

WHEREAS, the BSTC members are entering into these Articles in order to provide for (i) a consortium to conduct research programs and projects, (ii) their respective rights and obligations as a member of the consortium, and (iii) administrative matters pertaining to the conduct of activities as members of this consortium;

WHEREAS, each BSTC member reserves their right to review and accept any government agency or department agreement specific terms prior to any active participation in any BSTC project described herein;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and promises contained in these Articles, the BSTC members agree as follows:

DEFINITIONS

HEREINAFTER the following definitions apply:

Affiliate means, with respect to a specified Member that is a signatory to these Articles, any corporation, company, partnership, joint venture and/or firm which now or hereafter controls, is controlled by or is under common control with such specified Member. For purposes of this definition, "control" shall mean (i) in the case of corporate entities, direct or indirect ownership of at least 50% of the stock or shares entitled to vote for the election of directors; and (ii) in the case of non-corporate entities, direct or indirect ownership of at least 50% of the equity interest with the power to direct the management and policies of such non-corporate entities.

Border Security Technology Consortium means the BSTC, which is made up of consortium members from industry, academia, non-profit organizations, and not-for-profit organizations pursuant to these Articles.

Border Security Technology Base Agreement means the agreement between the BSTC Consortium Management Firm and the BSTC member organization or a team of BSTC member entities, under the terms of an agreement between the firm and the Government, which serves as the baseline agreement for all

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future Border Security Technology Project Agreements. The Technology Base Agreement, among other things, flows down applicable terms and conditions from the OT Agreement between the Government and the BSTC.

Border Security Technology Project Agreements refer to agreements issued by the Consortium Management Firm, under the terms of a Border Security Technology Base Agreement, for a specific border security technology project.

BSTC member organization(s) means large and small businesses, for profit and not-for-profit entities, and academic research institutions that are or become members in accordance with the BSTC Membership Agreement.

Charter Consortium Member(s) means those Consortium Members as set forth in Exhibit A that comprised the Formation Committee of the BSTC, which developed these Articles.

Consortium Management Firm refers to the agency acting solely on behalf of the BSTC (not as an agent of any individual member) to negotiate, execute and administer the BSTC's efforts under the OT Agreement for this program as defined in the specific management services agreement entered into between the BSTC and the Consortium Management Firm. The BSTC intends to enter into a management services agreement with Advanced Technology International (ATI), doing business as SCRA Applied R&D, to perform this role (i.e., to be the Consortium Management Firm). The management services agreement would require the Consortium Management Firm, among other things, to serve as a third party to help mitigate the risk of potential antitrust violations among the members of the BSTC.

Non-traditional Government Contractor means a business unit that has not, for a period of at least one (1) year prior to the issue date of a request for Border Security Technology Projects by the Consortium Management Firm, entered into or performed on: (1) any procurement contract that is subject to full coverage under the cost accounting standards; or (2) any FAR-based procurement contract in excess of \$500,000. A Non-traditional Government Contractor determination can be made at the prime level, for team members, for subcontractors, and for lower tier vendors. This determination also can be made for "intra-company" business units provided the business unit makes a significant contribution to the prototype initiative (i.e., is a key participant). Examples of what might be considered a significant contribution include supplying new key technology or products, accomplishing a significant amount of the effort, or in some other way causing a material reduction in the cost or schedule or increase in the performance. The BSTC Executive Committee, as defined below, will follow the specific guidance from the Government concerning the use of Non-traditional Government Contractors. Non-traditional Government Contractors will be required to provide a DUNS number.

Other Transactions Agreement means the OT Agreement which is entered into by the Government and the BSTC.

Member, or Members means respectively an individual BSTC member organization or the BSTC member organizations collectively that are signatories to the BSTC Membership Agreement.

ARTICLE 1: OBJECTIVES

As of the Effective Date (as defined in Article 3) of these Articles, the Members hereby agree to the creation of the BSTC. The BSTC is the result of an invitation by the Government to form a consortium comprised of traditional and non-traditional government contractors, small and large businesses, for-profit and not-for-profit entities, academic organizations, and their affiliated organizations to enter into the OT Agreement to perform border security research and development (including prototype projects). The OT Agreement is entered into under the authority of Department of Homeland Security Management Directive 0771.1, which extends the authorities granted initially to the Department of Defense under 10 U.S.C. § 2371,

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Section 845 of the 1994 National Defense Authorization Act, P.L. 103-160, as amended by Section 241 of the FY 1999 Strom Thurmond National Defense Authorization Act, P.L. 105-261 and Section 822 of the FY 2002 National Defense Authorization Act, P.L. 107-107.

The BSTC shall operate with the following principal goals: (i) to develop various border security - related monitoring, surveillance, communications, fencing and infrastructure, and other supporting technologies that advance the state-of-the-art; (ii) to improve U.S. industry, government and academia capabilities to sustain U.S. border protection in the research, development, engineering and production of border security - related systems; and (iii) to insert these technologies into legacy and developmental platforms as quickly and efficiently as possible. Through the BSTC established by these Articles, Members may propose and perform research, development and engineering activities, in cooperation with the Government, to address the Government's long range science and technology objectives.

The following are the specific objectives of the collaborative effort between the Members and the Government:

- Establish sound technical and programmatic performance goals based on the needs of the user;
- Develop information which will allow the Government to create and maintain a Border Security Technology Plan that defines performance goals and maximizes the utilization of the Government, industry and academia team's capabilities;
- Provide a unified voice for effectively articulating the strategically important role border security technologies play in current and future border protection systems;
- Collaboratively and collectively provide the Government with input and advice on non-proprietary, non-confidential technical concepts and issues;
- Create programs and secure funding focused on the development of key technologies and border security systems improvements;
- Effectively develop critical technologies that can be rapidly and affordably transitioned to the end user, including but not limited to the following domain of capability areas: surveillance and monitoring; identification and assessment; targeting and intelligence; communications and information management; apprehension, detention, seizure and removal; and other border security – related capabilities;
- Enter into an the OT Agreement with the Government to provide the Government assistance and expertise in developing and executing border security endeavors by performing certain research and development (including prototype projects) in the area of border security, to be conducted in collaboration with the Government and the Members. The Members hereby establish collaborative research efforts of limited duration to gain further knowledge and understanding of border security technologies required as more particularly described or identified in the OT Agreement with the Government for the purposes as set forth therein.

By execution of the BSTC Membership Agreement (Exhibit C), each Member authorizes the Consortium Management Firm to enter into transactions on behalf of the BSTC with the Consortium Members pursuant to DHS Management Directive 0771 that shall hereinafter be referred to in each case as a "Border Security Technology Base Agreement."

Membership

As of the Effective Date of these Articles, the Members are those entities listed on Exhibit A. A current membership list will be maintained and available on a BSTC website. The intent of the Members is that the BSTC will be open to and include members from industry, academic research institutions, and non-profit and not-for-profit organizations. The Members adopt a non-exclusive, open membership policy. The Members will include additional Members in accordance with the provisions contained in the BSTC Membership Agreement and in the OT Agreement. The BSTC through its Executive Director will notify the

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Government of the addition or deletion of Members. Any Members, regardless of when they join the BSTC, shall enjoy the same rights and incur the same obligations as any other Member hereunder.

Dues. Membership in the BSTC will become effective upon submission of the membership application (Exhibit C to these Articles) and the initial dues assessment. BSTC members will pay initial dues in the amounts as follows: \$1,000 for large and mid-size, for-profit organizations; \$500 for all others (small for-profit businesses, all businesses who meet the criteria as a Non-traditional Government Contractor, all non-profit organizations and all academic/research organizations). Should the BSTC Executive Committee determine that an annual dues assessment will be required on a longer-term basis, such annual dues will be assessed at no greater than the same level as those dues assessed for the initial membership application. On a case-by-case basis, the Executive Committee may consider a request to waive all or part of the dues for very small, innovative organizations, particularly those that qualify as non-traditional government contractors.

Project Award Assessment. In addition to any initial and annual dues that all Members of the BSTC are required to pay, all recipients of Border Security Technology Project Agreement funding shall pay the sum of 1.0% of all Government funds awarded under such Border Security Technology Project Agreement to the BSTC via the designated Consortium Management Firm. These funds are collected to supplement the revenue generated from initial and annual Member dues to provide sufficient resources for conducting the required business affairs of the BSTC. This “per project award” assessment percentage may be adjusted over time in response to changes in membership numbers, or in the volume of Government funds that flow through the OT Agreement between the BSTC and the Government.

ARTICLE 2: CONSORTIUM MANAGEMENT

Executive Committee

The affairs of the BSTC shall be governed by an Executive Committee of eleven (11) elected representatives from Member organizations, each to serve for a term of two (2) years. The Executive Committee shall be composed of three (3) members from large companies (\$5B or greater worth), two (2) members from mid-size companies (less than \$5B worth) or non-profits, three (3) members from small companies (as defined by SBA), two (2) members from academia and one (1) at large member. The Executive Committee Officers shall include a Chairperson, a Vice-Chairperson, and a Treasurer, to be elected by the Executive Committee. Six (6) of the initial roster of Executive Committee Members will have a one-time three (3) year term to provide continuity during BSTC startup, after which the Executive Committee will establish an annual rotation cycle of approximately one-half of the committee members. The Executive Committee will assume responsibility for implementing firewalls or such other measures to protect competitively sensitive information of the Members and to avoid and mitigate potential organizational conflicts of interest. The oversight of such duties may be transferred to the Consortium Management Firm.

Chairperson

The Chairperson shall preside over all meetings of the Executive Committee, performing all duties customary to that office and supervising and controlling all of the affairs of the Executive Committee in accordance with policies and directives approved by the Executive Committee. The Chairperson shall be authorized to sign the OT Agreement and subsequent modifications to the OT Agreement, on behalf of the BSTC. The Chairperson shall not serve successive terms.

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Vice-Chairperson

The Vice-Chairperson shall act under the direction of the Chairperson and in the absence or disability of the Chairperson shall perform the duties and exercise the powers of the Chairperson. The Vice-Chairperson shall perform such other duties and have such other authority as the Executive Committee may from time-to-time prescribe by standing or special resolution, or as the Chairperson may from time-to-time provide, subject to the authority and the supervision of the Executive Committee. The Vice-Chairperson is authorized to sign the OT Agreement and subsequent modifications to the OT Agreement, on behalf of the BSTC, in the absence of the Chairperson.

The Vice Chairperson shall also be responsible for the communication of BSTC matters. As such, the Vice chairperson is responsible for the development of an annual communications plan, reviewing and approving all press releases and advertising, and all actions regarding public relations (e.g., trade shows, certain trade association interfaces, etc.).

Treasurer

The Treasurer shall act under the direction of the Chairperson as the financial representative responsible for making financial decisions and reviewing and approving all vouchers presented by the Consortium Management Firm for payment. The Treasurer shall approve disbursement of BSTC funds by the Consortium Management Firm, and shall render to the Chairperson and the Executive Committee, at its regular meetings, or when the Executive Committee so requires, an account of the Consortium Management Firm's transactions and of the financial condition of the BSTC.

Ex-Officio Members

The Government may elect to send representatives to participate in Executive Committee meetings as non-voting members.

Technology Committee

The Technology Committee is an advisory committee to the Executive Committee that serves as the BSTC liaison with agencies of the Government that wish to seek technical input and advice from Members regarding non-proprietary border security - related technologies and system integration issues. The Technology Committee shall be led by a Technology Director and staffed with a minimum of (twelve) 12 Members representing a proportional distribution from large business, mid-size business, small business, non-profit and academic organizations.

Subcommittees

The Executive Committee shall have the authority to form subcommittees comprised of representatives from Member organizations to advise the BSTC on topics of special interest to the Members, including intellectual property, resolutions of organizational conflicts of interest and procurement integrity.

Consortium Management Firm

The Members agree to use Advanced Technology International, dba SCRA Applied R&D as the Consortium Management Firm to administer the affairs of the BSTC under the direction of the Executive Committee. The Consortium Management Firm is prohibited from participating in technical project work of the BSTC. The Chairperson of the Executive Committee shall sign the management services agreement with the selected Consortium Management Firm as authorized by the Executive Committee. The Chairperson of the Executive Committee is authorized to communicate with the Consortium Management Firm on behalf of the Executive Committee.

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The Consortium Management Firm shall manage and coordinate the affairs of the BSTC. The Consortium Management Firm shall:

- Act as the administrative point of contact for the BSTC under these Articles and any amendments hereto;
- Represent the Executive Committee in negotiating with the Government on issues involving the OT Agreement;
- Provide “single point contracting” functions as needed to execute the OT Agreement statement of work;
- Guard against the disclosure of competitively sensitive information and, together with the Executive Committee, institute policies and procedures to prevent potential violations of antitrust law;
- Together with the Executive Committee, take appropriate steps to avoid organizational conflicts of interest among the Members and to mitigate such conflicts if they cannot be avoided;
- Be responsible for obtaining signatures of the Members on any amendments to these Articles;
- Request nominations, prepare a slate of candidates for any open committee positions, provide notice of committee membership and membership changes to the Members and the Government, provide notice of the Executive Committee meetings and a request for agenda items to the Members, and provide notice of Member additions and deletions to the Government.

Executive Director

The Consortium Management Firm will provide an Executive Director as the single point of contact to the Members, the Government or their respective designees. The Executive Committee will approve the person assigned. The Executive Director shall serve on the BSTC Executive Committee as a non-voting member.

Technology Director

The Consortium Management Firm will provide a Technology Director as the single point of contact for the Technology Committee. The Technology Director is Chairperson of the Technology Committee and facilitates BSTC liaison with agencies of the Government that wish to seek technical input and advice from Members regarding non-proprietary border security - related technologies and system integration issues.

ARTICLE 3: EFFECTIVE DATE

These Articles shall first become effective on 13 July 2012, which corresponds to the date that the BSTC Charter Members listed in Exhibit A voted to approve these Articles.

ARTICLE 4: TERM

These Articles shall continue for a period of ten (10) years from the Effective Date of these Articles. These Articles shall continue in full force and effect until the Members' obligations as set forth in these Articles and the OT Agreement have been completed, the period of performance has expired. Articles which by their express terms or by necessary implication apply for periods of time other than as specified in this Article shall be given effect for such period of time, notwithstanding this Article. If the Executive Committee agrees, the term of these Articles may be extended through an amendment of these Articles.

Renewal

Prior to the expiration date of these Articles, the Members agree to enter into good faith negotiations to establish either an extension to these Articles, a follow-on agreement, or a consortium disestablishment plan.

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Survival

Notwithstanding the above provisions, the Member's rights and obligations with respect to Border Security Technology Project Agreements and/or specific intellectual property agreements by and between the Government and the Member(s) shall survive any expiration or termination of these Articles.

Withdrawal

Termination of Membership. Membership in the BSTC shall automatically terminate under the following conditions:

- By written agreement of the Members,
- After the Government's failure to extend the OT Agreement or issue a new other transactions agreement to the BSTC (and within ninety (90) days after the expiration or termination of the relevant other transactions agreement).

Voluntary Withdrawal. A Member may voluntarily withdraw from the BSTC at any time and for any or no reason by notice of withdrawal given by such Member to the Executive Committee.

Involuntary Withdrawal. If a Member materially breaches any material warranty, term or condition of these Articles and fails to remedy such material breach within ninety (90) days after receipt of notice of such material breach from another Member and/or the Executive Committee, the Executive Committee shall have the right to cause the involuntary withdrawal of such Member, such withdrawal to be effective immediately upon delivery of a notice from the Executive Committee to such Member indicating their election to cause such involuntary withdrawal to occur.

Rights of a Member. After the effective date of withdrawal of a Member, such Member shall cease to have any rights as a Member under these Articles.

Continued Funding and Technology Contribution Commitment. In the event of the voluntary withdrawal of a Member pursuant to this Article such Member's rights and obligations pursuant to any Border Security Technology Project Agreements, including but not limited to, continued funding and technology contribution commitments shall continue in accordance with the specific terms of the Border Security Technology Project Agreements.

Outstanding Financial Obligations of a Member. In the event of the withdrawal of a Member pursuant to this Article, such Member's financial obligations to the consortium shall remain in full force and effect until all outstanding obligations to the consortium are satisfied according to these Articles.

ARTICLE 5: PROPRIETARY INFORMATION

The Proprietary Information Exchange Agreement is attached at Exhibit B.

ARTICLE 6: AUDIT

The Consortium Management Firm shall be the single point of contact for supporting audits required by the OT Agreement. The terms of the OT Agreement shall be the exclusive criteria for audit access to a Member's business.

ARTICLE 7: DISCLAIMERS / REPRESENTATIONS AND CERTIFICATIONS

Representations and Warranties of All Members. Each Member represents and certifies to that:

- It is free to enter into these Articles;
- In so doing, it will not violate any other agreement to which it is a Member; and

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- It has taken all action necessary and required to authorize the execution and delivery of these Articles and the performance of its obligations under these Articles.

ARTICLE 8: LIABILITY AND INSURANCE

Liability. Each Member acknowledges that it shall be responsible for any loss, cost, damage, claim, or other charge that arises out of or is caused by the actions of that Member or its employees or agents to the extent of its negligence. No Member shall be liable for any loss, cost, damage, claim, or other charge that arises out of or is caused by the actions of any other Member or its employees or agents. Joint and several liabilities will not attach to the Members; no Member is responsible for the actions of any other Member, but is only responsible for those tasks assigned to it and to which it agrees in any subsequent funding agreement. The Members agree that in no event will consequential, incidental, special, exemplary or punitive damages be applicable or awarded with respect to any dispute that may arise between or among the Members in connection with these Articles. In performing any obligation created under these Articles, the Members agree that each Member is acting as an independent party and not as an agent of any other Member.

Insurance. Each Member agrees to obtain and maintain appropriate public liability and casualty insurance or adequate levels of self-insurance, to insure against any liability caused by that Member's obligations under these Articles and the BSTC Membership Agreement.

ARTICLE 9: LIMITATION ON DISCLOSURE

Except as expressly provided for in these Articles, no one Member has the obligation to disclose to another Member any market data or plans except as such information is made publicly available. The Members will not exchange competitively sensitive information with one another, including, without limitation, proprietary cost or pricing data. The Members will not exchange competitively sensitive information regarding projected sales or profitability, unless such information is reasonably related to a lawful, pro-competitive goal of the BSTC.

ARTICLE 10: INDEPENDENT CONTRACTOR STATUS

The relationship of the Members established by these Articles is that of independent contractors, and nothing contained in these Articles shall be construed to (i) give any of the Members hereto the power to direct or control the day-to-day activities of another Member hereto, (ii) constitute the Members as partners, joint ventures, co-owners or otherwise as participants in a joint or common undertaking, or (iii) allow any of the Members hereto to create, discharge or assume any obligation on behalf of another Member hereto for any purpose whatsoever. Each Member retains the right to engage independent research and activities that may compete with, or be contrary to, the goals of the BSTC.

ARTICLE 11: INTELLECTUAL PROPERTY

Except and to the extent specifically set forth herein, nothing in these Articles shall be construed as conferring by implication, estoppel or otherwise any license or right under any patent, copyright, trade secret, trademark or other proprietary right of any Member.

Regarding Consortium members entering into individual member-to-member agreements, intellectual property shall be treated in accordance with the following principles:

- (a) Intellectual Property developed or otherwise acquired by a Member prior to or outside the scope of an individual member-to-member agreement ("Background Intellectual Property"), and any Intellectual Property Rights therein, shall be owned by the Member that developed or otherwise acquired the Background Intellectual Property and associated rights.

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(b) Intellectual Property developed solely by employee(s) of one Member in performance of an individual member-to-member agreement (“Foreground Intellectual Property”), and any Intellectual Property Rights therein, shall be solely owned by the Member whose employee(s) developed the Foreground Intellectual Property.

(c) Intellectual Property developed jointly by employees of both Members in performance of an individual member-to-member agreement (“Jointly Developed Intellectual Property”), and any Intellectual Property Rights therein, shall be jointly owned by the Members. Each Member shall have an equal undivided one-half interest in Jointly Developed Intellectual Property and any Intellectual Property Rights therein. Each Member agrees to use reasonable efforts to maintain Jointly Developed Intellectual Property as confidential and proprietary in the same manner it treats its own Intellectual Property of a similar character. Each Member shall be free to make, use, sell and import/export products or processes incorporating Jointly Developed Intellectual Property without the consent of, or accounting to, the other Member, unless such Jointly Developed Intellectual Property incorporates the other Member’s Background Intellectual Property or Foreground Intellectual Property or use thereof would constitute an infringement of the other Member’s solely-owned Intellectual Property Rights.

(d) The Consortium itself will not receive any rights to any Member’s intellectual property.

Regarding agreements between the BSTC and/or individual Members, and the Government, rights to intellectual property will be treated in accordance with the terms of any applicable other transaction agreement and any follow-on production contracts resulting from such other transaction agreement.

ARTICLE 12: FILING WITH U.S. ATTORNEY GENERAL AND FEDERAL TRADE COMMISSION

Except for the disclosure of basic information regarding the BSTC (i.e., membership, purpose and a general description of the technical work), formal written approval by the BSTC Executive Committee is required for any specific publicity or advertising relative to these Articles. However, the Members agree that notification of the establishment of the BSTC (and subsequent addition or deletion of members) shall be filed with the U.S. Attorney General and the Federal Trade Commission by the Consortium Management Firm on behalf of the Members in accordance with the provision of the National Cooperative Research Act of 1984 within 90 days of execution of these Articles, with a copy provided to all Members. The costs of this filing shall be borne by the BSTC.

ARTICLE 13: NOTICES

Any notice or other communication required or permitted under these Articles shall be in writing and (i) personally delivered, (ii) mailed, postage prepaid, first class, certified mail, return receipt requested, (iii) sent, shipping prepaid, return receipt requested by national overnight courier service, or (iv) sent by electronic mail to the appropriate Member or Members at the addresses as set forth in Exhibit A or at such other addresses as may be given from time to time in accordance with the terms of this provision.

Any notice or other communication given by personal delivery shall be deemed given on the date personally delivered; any notice or other communication given by mail shall be deemed given four (4) days after the date deposited in the United States mail; and any notice or other communication given by national overnight courier service shall be deemed given on the next business day after being sent.

ARTICLE 14: DISPUTES

The Members recognize that disputes pertaining to certain matters may from time to time arise during the term of these Articles, which relate to a Member’s rights and/or obligations hereunder or thereunder. It is

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the objective of the Members to establish procedures to facilitate the resolution of disputes arising under these Articles in an expedient manner by mutual cooperation and without resort to litigation. To accomplish this objective, the Members agree to follow the procedures set forth in this Article if and when a dispute arises under these Articles. However, if an organization can provide evidence that it is prohibited from entering into binding arbitration, the dispute resolution procedures will be negotiated on a case by case basis.

Dispute Resolution Representatives

In the event of disputes between the Members, including disputes among the Members' representatives to the Executive Committee which such representatives are unable to resolve, a Member seeking to resolve such dispute will, by written notice to the other, have such dispute referred to their respective executive officers designated below or their successors, for attempted resolution by good faith negotiations within fourteen (14) days after such notice is received. Said designated officers are as follows:

- For the Member: Designated Senior Executive
- For the BSTC: Consortium Management Firm

In the event the designated officers are not able to resolve such dispute, either Member may at any time after the fourteen (14) day period invoke the provisions of the Alternate Dispute Resolution provision below.

Alternative Dispute Resolution

Following settlement efforts pursuant to the procedures in this Article, any dispute, controversy or claims arising out of or relating to the validity, construction, enforceability or performance of these Articles, including disputes relating to alleged breach or to termination of these Articles, shall be settled by binding Alternative Dispute Resolution ("ADR") in the manner described below:

- ADR Request: If a Member intends to begin an ADR to resolve a dispute, such Member shall provide written notice (the "ADR Request") to the other Member informing such other Member of such intention and the issues to be resolved.
- Additional Issues: Within ten (10) business days after the receipt of the ADR Request, the other Member may, by written notice to the Member initiating ADR, add additional issues to be resolved.
- No ADR of Intellectual Property or Patent Issues: Disputes regarding the ownership of, and/or rights to Intellectual Property, including the scope, validity and enforceability of patents, shall not be subject to the ADR provision in this Article but rather submitted to a court of competent jurisdiction.

Arbitration Procedure

Any dispute or claim arising out of, or in connection with these Articles shall be finally settled by binding arbitration in accordance with the then current rules and procedures of the American Arbitration Association. The arbitration shall be conducted by three (3) arbitrators having experience with the issue under consideration, one (1) each to be appointed by the Members in dispute and a third being nominated by the two (2) arbitrators so selected or, if they cannot agree on a third arbitrator, by the President of the American Arbitration Association. Such arbitration will take place at a location agreeable to the Members who are parties to the dispute. If no agreement as to venue is reached within fifteen (15) business days of written notice that a Member seeks arbitration of a dispute, a majority of the Executive Committee shall choose the place of arbitration. The arbitrators shall apply the law of the state in which the dispute arose to the merits of any dispute or claim, without reference to rules of conflicts of laws. Judgment on any award rendered by the arbitrators may be entered in any court having jurisdiction thereof. The Members agree that, any provision of applicable law notwithstanding, they will not request, and the arbitrators shall have no authority to award punitive or exemplary damages against any Member. Nothing in this Article

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shall limit a Member's right to seek injunctive relief with respect to a breach or threatened breach of these Articles.

ARTICLE 15: ASSIGNMENT

Neither these Articles nor any rights hereunder, in whole or in part, shall be assignable or otherwise transferable without the prior written consent of the BSTC Executive Committee; which consent shall not be unreasonably withheld. A Member may assign its rights and delegate its obligations (i) to any affiliate of such Member (although, in the event of any such assignment and delegation, the assigning Member shall remain primarily liable for its obligations hereunder) and (ii) to a purchaser of all or substantially all of the business of such Member to which these Articles relates by merger, sale of assets or otherwise. If the Member, after the assignment or purchase cannot meet the requirements for Consortium membership as called out in these Articles and the BSTC Membership Agreement, the Member will be considered to have voluntarily withdrawn from the BSTC in accordance with Article 4 herein.

ARTICLE 16: GOVERNING LAW

This Agreement shall be governed by, construed, and interpreted in accordance with the laws of the State of New York, to the extent it does not conflict with the public academic research institution's state law, without reference to principles of conflicts of laws.

ARTICLE 17: ENTIRE AGREEMENT

These Articles, including all Exhibits referred to herein, constitute the entire agreement of the Members and supersede all prior and contemporaneous agreements, understandings, negotiations and discussions among the Members, whether oral or written, with respect to the subject matter hereof.

ARTICLE 18: INVALIDITY OF PROVISIONS

If any provision of these Articles is deemed to be invalid, illegal or unenforceable by any court of competent jurisdiction, such provision will be deemed amended to conform to applicable laws of such jurisdiction so as to be valid and enforceable or, if it cannot be so amended without materially altering the intention of the Members, it will be stricken and the remainder of these Articles will remain in full force and effect.

ARTICLE 19: TAX STATUS

The BSTC will not realize any revenue as an entity, and the Consortium Management Firm's non-profit status will preclude any tax liability for the BSTC.

ARTICLE 20: GENERAL PROVISIONS

Order of Precedence. Should there be any conflict between the terms and conditions of these Articles and an other transactions agreement, the other transactions agreement shall take precedence.

Amendments. No amendment or modification of these Articles shall be valid unless agreed to in writing by the Executive Committee membership and validated by a majority vote of the BSTC membership. All proposed amendments to these Articles shall be distributed to the Executive Committee members at least thirty (30) days prior to the proposed effective date and amendments shall be approved in writing by two-thirds of the members of the Executive Committee.

Waiver. No waiver of any rights shall be effective unless agreed to in writing by the Member to be charged. Waiver by any Member of any breach or failure to comply with any provision of these Articles by another

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Member shall not be construed as, or constitute, a continuing waiver of such provision or a waiver of any other breach of or failure to comply with any other provision of these Articles.

Section Headings. The headings of the several sections of these Articles are intended for convenience of reference only and are not intended to be a part of, or to affect the meaning or interpretation of these Articles.

Obligations of the Members. The Members agree to work together to accomplish the objectives of the BSTC by carrying out their responsibilities as set forth in any agreements issues through the BSTC.

Compliance with U. S. Export Laws. The Members shall comply with all applicable export control laws and regulations of the United States, including the Arms Export Control Act (“AECA”), the International Traffic in Arms Regulations (“ITAR”), the Export Administration Regulations (“EAR”), and other U.S. government directives related to export control. No Member shall export or re-export any information, data, technical know-how, products, goods or related services (“Controlled Items”) under these Articles in violation of the AECA, ITAR or EAR. No Member shall disseminate any Controlled Item to a foreign person (as defined in the ITAR), or to persons and affiliated entities of foreign governments, foreign government agencies or foreign organizations, under these Articles in violation of the AECA, ITAR or EAR. No Member shall disseminate any Controlled Item to any person or affiliated entity of a person or entity named on the U.S. Department of Treasury Denied Parties List, the U. S. Department of Commerce Unverified List or U. S. Department of Commerce Entity List or any other U.S. government list of persons or entities under these Articles to which dissemination of Controlled Items shall not be made.

Use of Names. No Member shall use in any advertising, promotional, or sales literature the name, trademarks, other marks or logos of any other Member without prior written consent.

IN WITNESS WHEREOF, the Members have caused these Articles to be executed by the duly authorized representatives on the respective dates entered below.

COMPANY NAME

COMPANY NAME

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

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EXHIBIT A: CURRENT MEMBERSHIP LISTING

Charter Members (listed alphabetically):

Arc Aspicio LLC

Ball Aerospace & Technologies Corp.

DRS Technologies, Inc.

ICS Consulting LLC

List Innovative Solutions, Inc.

Lockheed Martin Corporation

Morpho Trak

Old Dominion University Research Foundation

Rapiscan Systems

SAS Institute Inc.

University of Arizona

Vista Research Inc.

Other Members (listed chronologically by date of application):

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EXHIBIT B: PROPRIETARY INFORMATION EXCHANGE AGREEMENT

1. During the term of the Articles, the Members of the BSTC agree that they may exchange confidential or proprietary information (“Confidential Information”) with Members having a need to know, for the purpose of furthering the goals of the BSTC as defined in the Articles. Confidential Information is defined as all confidential and proprietary information disclosed by a Member to another Member or other Members including, without limitation, information regarding existing and future technical, business and marketing plans and product strategies; cost and pricing information; employees’ names, titles, job descriptions and salaries; business practices, policies, methodologies and procedures; proprietary data, data models, product designs, capabilities, specifications, program code, and software systems and processes; samples and devices; demonstrations; and/or other proprietary and/or competition sensitive information. Confidential Information shall also include the identity of and the confidential and/or proprietary information of a Member’s subsidiaries, affiliated companies, business partners, customers, potential customers and suppliers. The initial effective date of this Proprietary Information Exchange Agreement (“Agreement”) shall be the effective date of the Articles. Thereafter, this Agreement shall be effective for any new Members to the Articles on the date such new Member signs the BSTC Membership Agreement.

2. Notwithstanding that the term of this Agreement will have expired for a period of ten (10) years from receipt, each Member agrees to keep in confidence and prevent the use (except for the purposes of this Agreement) or the disclosure to any person or persons outside the receiving Member’s organization, and limit the disclosure inside its organization to employees having a need-to-know, of all Confidential Information received under this Agreement (provided such Confidential Information is marked with a confidential or proprietary legend by the disclosing Member). The Members shall take every reasonable effort to keep properly marked “Confidential Information” confidential. In order to be protected hereunder, data which is first disclosed orally or by demonstration must be identified as proprietary or confidential at the time of disclosure, and shall be reduced to writing or other tangible form, and marked as “Confidential Information”, within thirty (30) days after such disclosure or demonstration. All protection and restrictions as to use and disclosure shall apply during such thirty (30) day period. Any markings, stamps or legends identifying proprietary or confidential information hereunder shall not impose any obligations on another Member inconsistent with this Agreement.

3. The above restrictions on use and disclosure of properly marked Confidential Information shall not apply to such data if the same:

- a. Is in the public domain or in the possession of the receiving Member without restriction at the time of receipt under this Agreement;
- b. Is used or disclosed with prior written approval of the disclosing Member;
- c. Is used or disclosed after ten (10) years from the date of first receipt under this Agreement;
- d. Is developed independently by the receiving Member;
- e. Has been rightfully received by the receiving Member from a third party without breach of this Agreement or other wrongful act of the receiving Member;
- f. Is made available by the disclosing Member to a third party on an unrestricted, non-confidential basis; and
- g. Was known and can be shown by clear and convincing evidence to have been known by the receiving Member at the time of its disclosure by the disclosing Member.

In the event a receiving Member is required to disclose a disclosing Member’s properly marked Confidential Information pursuant to a final binding order of a governmental agency or court of competent jurisdiction, the receiving Member shall give the disclosing Member reasonable notice of the pendency of such an order.

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BORDER SECURITY TECHNOLOGY CONSORTIUM (BSTC)

EXHIBIT C: MEMBERSHIP AGREEMENT AND APPLICATION

FOR PROSPECTIVE BORDER SECURITY TECHNOLOGY CONSORTIUM (BSTC)

Members. This Membership Agreement and Application is made by the signing organization (“Applicant”) to the BSTC Executive Committee as of the date of signing by the Applicant.

Acknowledgement of Terms. Applicant hereby applies for membership in the BSTC. Applicant acknowledges that its authorized representative has received and reviewed this Membership Agreement, the Articles, and any other supporting documents referenced therein. Applicant agrees to comply with all provisions in those documents, which are incorporated into and made part of this application and agreement by reference. Applicant acknowledges that the BSTC may amend any one or more of the documents from time to time in the best interests of the BSTC. Applicant agrees to comply with the Articles, as established and amended from time to time, and the OT Agreement. Applicant will be notified of any material changes in those documents and have an opportunity to object to such changes. Applicant further agrees that it will comply with all applicable U.S. laws, rules and regulations (including U.S. Antitrust and Export Control laws) in any BSTC activities.

Applicant agrees that this Application and Agreement will become a binding membership contract between Applicant and the BSTC Executive Committee upon acceptance by the BSTC Executive Committee and Applicant’s payment of assessed dues. The BSTC Executive Committee has the right to accept or reject Applicant in its sole discretion if the BSTC Executive Committee determines, in good faith, that the Applicant does or does not meet the membership requirements contained in the Articles. If membership is declined, the Applicant will be informed in writing regarding the rationale and provided an opportunity to address the issues and reapply. Upon acceptance of Applicant as a “Member in Good Standing” of the BSTC, Applicant agrees that all actions of Applicant’s representatives participating in BSTC meetings and other activities will be binding on Applicant. Applicant agrees that all actions taken by it as a Member in Good Standing will be performed by a duly-authorized representative of Applicant.

Funding Qualification. Active participation in the consortium and currency of financial liability to the consortium is a pre-requisite for receipt of funding under the OT Agreement. To qualify for border security project funding, the Applicant agrees to maintain its status as a “Member in Good Standing” by meeting the following criteria (note: the Executive Committee may granted waivers on a case basis):

- Current (no greater than 45 days past due) on membership dues;
- Attendance at the annual BSTC General Membership Meeting or BSTC Technical Forum.

Foreign Access. Membership (or participation in individual project teams without membership status) to any agency or instrumentality of a foreign government and companies, firms, organizations, institutions, or other entities not organized or existing under the laws of the United States (as defined in the ITAR) shall be granted on a case by case basis at the sole discretion of the BSTC Executive Committee upon a request of the Government. In such event, all members will be notified immediately of the foreign entity’s role and its ITAR status.

- If Applicant is a Corporation with subsidiaries or affiliates, Applicant's membership will include its wholly-owned and controlled and majority-owned and controlled U.S. subsidiaries and affiliates who qualify as a U.S. person under the ITAR.
- Any other subsidiaries or affiliates may not participate in the BSTC unless and to the extent approved by the Executive Committee upon a request by the Government.

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Representations. Applicant acknowledges that it has caused this application and agreement to be signed by its duly-authorized representative.

Applicant, by signing this Application and Agreement, certifies and represents that the information provided in the remainder of this Application and Agreement and any attachments hereto is a current, complete, true and correct statement of Applicant's organizational structure and affiliations as of the date of signing. Applicant further certifies and represents that Applicant agrees to meet all of the requirements of a "Member in Good Standing" contained herein.

Applicant agrees to disclose immediately to the BSTC any changes affecting Applicant's representation that it meets all the requirements of a Member in Good Standing. Applicant represents the following:

- It is eligible to contract with the U.S. Government (i.e., Applicant is not debarred or suspended by the United States Government);
- It has an interest in the research and development of border security – related technology;
- It is capable of making a technical contribution to the advancement of border security – related technology; and
- It is willing to be an advocate of the BSTC objectives as they are defined in the OT Agreement and the Articles of Consortium.

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BORDER SECURITY TECHNOLOGY CONSORTIUM (BSTC)

Applicant's legal corporate/organization name: _____

DUNS Number: _____

Address of Applicant's principal offices:

Street Address _____

City, State, Zip _____

Applicant's designated points of contact (and address if different from above):

Primary Point of Contact

Name _____ Phone _____

Street Address _____ Fax _____

City, State, Zip _____ Email _____

Technical Point of Contact

Name _____ Phone _____

Street Address _____ Fax _____

City, State, Zip _____ Email _____

Contractual/Legal Point of Contact

Name _____ Phone _____

Street Address _____ Fax _____

City, State, Zip _____ Email _____

Financial/Accounting Point of Contact

Name _____ Phone _____

Street Address _____ Fax _____

City, State, Zip _____ Email _____

Are you currently a "Non-traditional Government Contractor"? Yes No

A non-traditional government contractor is a business unit that has not, for a period of at least one year prior to the date of this application, entered into or performed on (1) any procurement contract that is subject to full coverage under the cost accounting standards prescribed pursuant to section 26 of the Office of Federal Procurement Policy Act (41 U.S.C. 422) and the regulations implementing such section; or (2) any other procurement contract in excess of \$500,000 to carry out prototype projects or to perform basic, applied, or advanced research projects for a federal agency.

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Applicant is a (check all that apply):

- | | | | |
|--|-------------------------------------|---|---|
| <input type="checkbox"/> For Profit Business | <input type="checkbox"/> Non-Profit | <input type="checkbox"/> Not-For-Profit | <input type="checkbox"/> Academic Institution |
| <input type="checkbox"/> Minority Owned Business | <input type="checkbox"/> Division | <input type="checkbox"/> Under an SSA | <input type="checkbox"/> Parent Consortium |
| <input type="checkbox"/> Woman Owned Business | <input type="checkbox"/> US Owned | <input type="checkbox"/> Subsidiary | <input type="checkbox"/> Foreign Firm |

Applicant Size (select one):

- Large Business (\$5B or greater worth)
- Mid-size Business (less than \$5B worth)
- Small Business (as defined by SBA)

Applicant is interested in serving on (check all that apply):

- Consortium Executive Committee
- Other committees/subcommittees that may be formed

On an attached page, please provide a short description of the Applicant's business as it may apply to research and development in the border security technology field. Include in that description any additional capabilities or interests the Applicant has that may be applicable to border security technology. (Note: It is intended that once accepted, the information provided in the attached description and capabilities statement will be posted on the BSTC website for other members to use in establishing potential collaboration opportunities).

If Applicant does not want this information posted on the website, check here:

For any applicant who represents a non-US firm for the purposes of the ITAR requirements in the OT Agreement, append an explanation of foreign ownership and control, including any export licenses or special security arrangements that your firm has that relate to the BSTC scope of work.

Applicant acknowledges that it has read and understands the application form and the Articles of Collaboration, to which the applicant agrees to meet its obligation, in its entirety, and is undertaking and has caused this Application to be signed by its duly authorized representative on the date set forth below:

Applicant Name (Company Name): _____

Authorized Representative Signature: _____

Authorized Representative Printed Name: _____

Title: _____

Date: _____

Submit this Application, along with a signed copy of page 13 of the Articles, and direct any questions to:

POC Name BSTC c/o ATI (Advanced Technology International)
POC address 315 Sigma Drive, Summerville, SC 29486
POC e-mail BSTCConsortiumManagementFirm@ati.org
POC Phone Mr. Merv Leavitt, 571-814-8345
POC FAX 843-760-3349