

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE SECRETARY OF DEFENSE

ON BEHALF OF THE DEPARTMENT OF DEFENSE

OF THE UNITED STATES OF AMERICA

AND

THE SECRETARY OF STATE FOR DEFENCE

OF THE

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

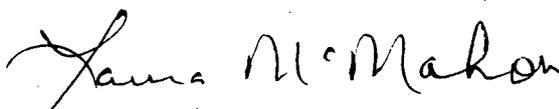
FOR THE LOAN OF

THERMAL WEAPON SIGHTS (TWS) FOR CONCEPT EVALUATION
(A-LOAN-UK-2005-0060)

CERTIFICATION OF AUTHENTICITY

I hereby certify this to be a true copy of Memorandum of Understanding Between the Department of Defense of the United States of America and the Ministry of Defence of the United Kingdom of Great Britain and Northern Ireland for the Loan of Thermal Weapon Sights (TWS) for Concept Evaluation (A-LOAN-UK-2005-0060).

The Office of the Deputy Assistant Secretary of the Army for Defense Exports and Cooperation, Armaments Cooperation Division, maintains custody of a signed copy of the amendment.



LAURA MCMAHON
DEPUTY, INTERNATIONAL AGREEMENTS

The Department of Defense (DoD) of the United States of America, ("the Providing Participant,") and the Ministry of Defence (MOD) of the United Kingdom of Great Britain and Northern Ireland, ("the Receiving Participant,") collectively referred to as the "Participants";

Recognizing that the Agreement Concerning Defense Co-operation Arrangements of May 27, 1993 between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland applies to this Memorandum of Understanding (MOU); and

Desiring to gain the benefits of the loan of specified property of the Providing Participant, pursuant to the following provisions;

Have reached the following understandings:

SECTION I

DESCRIPTION AND QUANTITY

- 1.1. The following items (hereinafter referred to collectively as the "Property") will be loaned by the Providing Participant to the Receiving Participant:

Quantity	Description	Part/Stock#	Replacement Value, in U.S.\$
Five	Thermal Weapon Sights and Associated Documentation (Light)	5855-01-458-3150	\$60,000 (\$12,000 each)
Five	Thermal Weapon Sights and Associated Documentation (Medium)	5855-01-458-3152	\$90,000 (\$18,000 each)

- 1.2. None of the Property identified above is intended to be consumed, expended, modified, or disassembled beyond that required for normal operation and maintenance, in the course of the testing conducted under this MOU.
- 1.3. The loan period is for 180 days after signature of this MOU, unless the latter date is extended pursuant to paragraph 11.2. In the event that this MOU is terminated prior to expiration of the loan period, paragraph 3.4.6. applies.

SECTION II
OBJECTIVES

- 2.1. The overall objective of this loan is to loan the Property for research, development, test and evaluation purposes. The specific objectives of this MOU include:
- 2.1.1. establishment of detailed arrangements between the Providing Participant and Receiving Participant for the loan of the Property;
 - 2.1.2. testing, evaluation and analysis of the performance of the loaned Property by the Receiving Participant; and
 - 2.1.3. providing a report to the Providing Participant that describes results of the test and evaluation effort conducted by the Receiving Participant.
- 2.2. The mutual benefits provided under this MOU are:
- 2.2.1. the Receiving Participant's ability to perform a trial that will ascertain what benefit is gained for their Soldiers by providing an increased capability;
 - 2.2.2. furtherance of interoperability standards using U.S. thermal weapon sights (TWS); and
 - 2.2.3. the assessment by the Receiving Participant of the TWS mounted on UK assets and how the TWS may contribute to an increase in effectiveness for Soldiers.

SECTION III
MANAGEMENT AND RESPONSIBILITIES

- 3.1. Each Participant will identify a Test Project Officer (TPO) who will be responsible for coordinating, monitoring and implementing the overall test and evaluation effort to ensure achievement of MOU objectives.

- 3.1.1. For the Providing Participant, the point of contact is:

Mr. Dan Kitts
Thermal Director, PM-SSL, Bldg 325
Fort Belvoir, VA 22060
Tel: +1-703-704-1292
Email: daniel.kitts@us.army.mil

3.1.2. For the Receiving Participant, the point of contact is:

Mr. Phil Landon
DCCComm5, Dismounted Close Combat IPT, Defence Procurement Agency
Walnut 3b #1325
MOD Abbey Wood
Bristol BS34 8JH
Tel: +44-117-91-37181/Fax: +44-117-91-31909
Email: DCCCOMM5@dpa.mod.uk

3.2. The TPOs will also be responsible for implementing the responsibilities of the Participants as described herein:

3.3. **RESPONSIBILITIES OF THE PROVIDING PARTICIPANT:**

3.3.1. **LOAN OF THE PROPERTY:** The Providing Participant will loan the Property until testing is complete, or for the duration of the loan, including any extension thereof approved in writing by the Providing Participant, or termination of this MOU, whichever comes first. The Providing Participant will advise the Receiving Participant of any shipping details for the Property, and confirm the receipt of returned Property.

3.3.2. **PROPERTY DELIVERY:** The Providing Participant will provide the Property to the Receiving Participant for delivery to the Receiving Participant's Test Site at Salisbury Plain, United Kingdom, at no cost to the Providing Participant. Possession of the Property will pass from the Providing Participant to the Receiving Participant at the time of receipt of the Property. All transportation and packaging costs are borne by the Receiving Participant in accordance with paragraph 4.3. All information and materials will be transferred using Registered Mail or an equivalent service.

3.3.3. **CONDITION:** The Providing Participant will make its best efforts to ensure that the Property is furnished to the Receiving Participant in a serviceable condition suitable for its intended purpose. However, the Providing Participant makes neither warranty nor guarantee of fitness of the Property for a particular purpose or use, and the Providing Participant makes no arrangement to alter, improve, adapt, or repair the Property or any part thereof.

3.3.4. **DOCUMENTATION:** The Providing Participant will furnish the Receiving Participant such operation and maintenance information as is necessary to conduct the test.

3.4. **RESPONSIBILITIES OF THE RECEIVING PARTICIPANT:**

3.4.1. The Receiving Participant will appoint a representative for the purpose of making an inspection and inventory of the Property at the time of receipt of the Property and again when the Property is returned. The Receiving Participant will acknowledge receipt of the Property, advise when the Property is returned upon completion of the test

in accordance with paragraph 3.4.6. and provide a test report in accordance with paragraph 3.4.7.

3.4.2. INSTALLATION: The Receiving Participant will be responsible for supplies and services required to properly install, align, check out, and otherwise make the Property ready for testing.

3.4.3. TRAINING: The Receiving Participant will be responsible for obtaining operation and maintenance training for those personnel assigned to operate and maintain the Property.

3.4.4. OPERATION AND MAINTENANCE OF THE PROPERTY: The Receiving Participant will be responsible for all operation and maintenance required of Property while in its possession.

3.4.5. TESTING SITE: The test will be conducted by or on behalf of the Receiving Participant at the UK MOD Test Site, Salisbury Plain, United Kingdom. The Receiving Participant must obtain approval in writing from the Providing Participant if it desires to conduct testing at additional sites.

3.4.6. REMOVAL AND RETURN OF EQUIPMENT; RESPONSIBILITY FOR DAMAGED OR RETURNED PROPERTY: Upon completion or expiration of the loan (taking into account any approved extension of the loan period by the Providing Participant), or termination in accordance with paragraph 11.3., whichever occurs first, the Receiving Participant will maintain any such Property in good order, repair and operable condition. The Receiving Participant will return the property to the Providing Participant in as good as condition as received, reasonable wear and tear excepted, or return the Property to Ft. Belvoir, Virginia, or to another mutually determined site, and pay the cost to restore it. If the Property is damaged beyond economical repair, the Receiving Participant will return the Property to the Providing Participant (unless otherwise specified in writing by the Providing Participant) to Ft. Belvoir, Virginia, or to another mutually determined site, and pay its replacement value specified in paragraph 1.1., which has been computed pursuant to the Providing Participant's national laws and regulations. If the Property is lost while in the custody of the Receiving Participant, the Receiving Participant will issue a certificate of loss to the Providing Participant and pay the replacement value specified in paragraph 1.1. All information and materials will be transferred using Registered Mail or an equivalent service.

3.4.7. TEST REPORT: The Receiving Participant will furnish the Providing Participant with a test report without charge and no later than thirty (30) days prior to the expiration of the MOU. The format and content of the report will reflect the Objectives (Section II) of this MOU.

3.5. This MOU provides only for the loan of Property for research, development, test and evaluation purposes. Participation in this MOU does not imply any intention by either Participant to participate in any follow-on efforts beyond the scope of this MOU

including the exchange of any additional information. Any other effort(s) will be established through separate arrangements.

SECTION IV

FINANCIAL ARRANGEMENTS

- 4.1. There are no charges for the loan of the above Property or for the test report.
- 4.2. Each Participant will fully bear all costs it incurs in performing, managing, and administering its activities under this MOU.
- 4.3. The Receiving Participant is responsible for all costs of transportation including preparation, packing and applicable customs charges.

SECTION V

PROPERTY RIGHTS AND RESTRICTIONS

- 5.1. The Providing Participant retains title to all Property loaned under this MOU.
- 5.2. The Receiving Participant will make no changes or alterations to the Property except with the prior written approval of the Providing Participant.
- 5.3. The Property will be loaned only for the purposes set forth in Section II (OBJECTIVES). No other use of the Property by the Receiving Participant is authorized.
- 5.4. Information furnished by the Providing Participant to the Receiving Participant will be used by the Receiving Participant for operation of the Property only, except as otherwise stated in this MOU.
- 5.5. Information generated under this MOU may be used by either Participant for defense purposes.
- 5.6. No intellectual property rights, other than as set out in this MOU, are created or conveyed by this MOU. The Participants will ensure, by all means available to them, the protection of property rights in the Property and other information provided or generated under this MOU, including the test results, whether subject to Patent (or like protection) or not.
- 5.7. Any specification, production information, or manufacturing know-how incidentally derived from the performance of the terms of this MOU will be used and fully protected in accordance with this MOU.

- 5.8. The Participants agree that this MOU provides the authority for the exchange of information as set forth in paragraphs 3.3.4. and 3.4.7.
- 5.9. All export-controlled information and/or Property furnished by the Providing Participant, its contractors, and their subcontractors pursuant to this MOU will be subject to export controls established by the Providing Participant in accordance with the U.S. Arms Export Control Act and International Traffic in Arms Regulations.

SECTION VI

RELEASE OF INFORMATION UNDER LEGISLATIVE PROVISIONS

- 6.1. Each Participant will take all lawful steps available to it to protect information that is provided or generated under this MOU. The information is to be treated as though it was provided, in confidence, and, therefore, protected from unauthorized disclosure. If it becomes probable that such information may be disclosed to other persons or to a judicial body, immediate notification will be given to the Providing Participant.
- 6.2. Such information will be safeguarded in a manner that ensures its proper protection from unauthorized disclosure.
- 6.3. To assist in providing this protection, the information will be marked with a legend containing the country of origin, a reference to this MOU, the security classification, if any, and if the information is unclassified but is to be treated as provided in confidence, the conditions of release and a statement to the effect that the information is furnished in confidence.

SECTION VII

SECURITY

- 7.1. It is the intent of the Participants that the loan carried out under this MOU will be conducted at the unclassified level. No Classified information will be provided or exchanged under this MOU.
- 7.2. The test report and any information generated under this MOU will be labeled "Controlled Unclassified Information/Releasable to DoD/MOD agencies of the U.S./UK Only."
- 7.3. The Providing Participant will furnish the Receiving Participant with such operation and maintenance information as is necessary to conduct the test. Technical data will be

limited to basic operation manuals and organizational level maintenance information. Intermediate or depot level maintenance or repair will be performed in the US.

- 7.4. All TWS' will remain in the possession of the Receiving Participant or its authorized personnel. The TWS will only be used for activities directly supporting the BIG FIST 3B field trials. 22 CFR 122.5 applicants will maintain detailed records of the disposition of this equipment and person(s) who received a demonstration.
- 7.5. The Participants will be responsible for taking all necessary steps to ensure the security of the equipment, including protection from theft, loss and unauthorized access to the thermal imaging equipment. Any violation or compromise will be reported to the Providing Participant, within 15 days of the event, in writing. The report will contain details of the incident and measures taken to prevent recurrence.

SECTION VIII

THIRD PARTY TRANSFERS

- 8.1. The Receiving Participant will not disclose or transfer any Property, test data or other information provided to it under this MOU to any Third Party without prior written consent of the Providing Participant's government. (The Participants consent not to disclose any information generated under this MOU to any Third Party without prior written consent of the other Participant's Government). For the purposes of this MOU, the term "Third Party" means a government other than the Government of a Participant and any person or other entity whose government is not the Government of a Participant.
- 8.2. Disclosures or transfers requiring authorization under paragraph 8.1. will not be made or authorized unless the Third Party recipient consents in writing that it will not use any such equipment or information for purposes other than those for which it was furnished, nor permit any further transfer without the prior written consent of both Participants.

SECTION IX

LIABILITY

- 9.1. Claims arising under this MOU will be resolved under paragraph 1 of the Agreement Concerning Defense Cooperation Arrangements of May 27, 1993 between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland.

SECTION X
SETTLEMENT OF DISPUTES

- 10.1. Disputes between the Participants arising under or relating to this MOU will be resolved only by consultation between the Participants and will not be referred to a national court, to an international tribunal, or to any other person or entity for settlement.

SECTION XI
ENTRY INTO EFFECT, AMENDMENT, AND TERMINATION

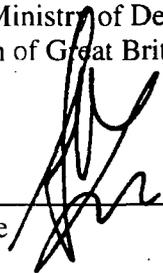
- 11.1. All activities of the Participants under this MOU will be carried out in accordance with their national laws and regulations, including their export control laws and regulations. The commitments of the Participants will be subject to the availability of funds for such purposes.
- 11.2. This MOU may be amended or extended by written mutual consent of the Participants. The loan period specified in paragraph 1.3. may be amended by the written consent of the Providing Participant, provided that any such extension is within the effective period of this MOU.
- 11.3. This MOU may be terminated at any time:
- 11.3.1. by mutual written consent of the Participants;
 - 11.3.2. by the Receiving Participant on 30 days written notice; or
 - 11.3.3. by the Providing Participant at any time.
- 11.4. Arrangements and responsibilities regarding security and protection of the Property against unauthorized use, disclosure, or transfer that accrued prior to termination or expiration of this MOU will continue to apply notwithstanding expiration or termination of this MOU.
- 11.5. This MOU will enter into effect on the date of the later signature below, and unless terminated or extended, will remain in effect for twelve months.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Participants, have signed this MOU on the dates indicated below.

For the Department of Defense of the United States of America

For the Ministry of Defence of the United Kingdom of Great Britain and Northern Ireland


Signature

X

Signature

BG James R. Moran
Name

DR. ANDREW TYLER
Name

Program Executive Officer Soldier
Title

DIRECTOR LAND AND MARITIME
Title

MAR 31 2006
Date

25/5/06
Date

Fort Belvoir, Virginia, USA
Location

DEFENCE PROCUREMENT AGENCY, BRISTOL, UK
Location