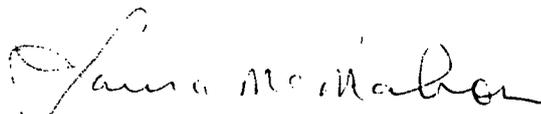


MEMORANDUM OF UNDERSTANDING
BETWEEN THE
DEPARTMENT OF DEFENSE OF THE
UNITED STATES OF AMERICA
AND THE
DEPARTMENT OF DEFENCE OF AUSTRALIA
FOR THE LOAN OF A
VIBRATION MANAGEMENT UNIT (VMU)
(A-LOAN-AS-2005-0063)

CERTIFICATION OF AUTHENTICITY

I hereby certify this to be a true copy of A-LOAN-AS-2005-0603, Memorandum of Understanding Between the Department of Defense of the United States of America and the Department of Defence of Australia For the Loan of a Vibration Management Unit.

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, hereinafter referred to as the "Providing Participant," and the Department of Defence of Australia, hereinafter referred to as the "Receiving Participant," recognizing the Exchange of Notes Constituting an Agreement between the Government of the United States of America and the Government of Australia Concerning Certain Mutual Defense Commitments done at Sydney on December 1, 1995 (Chapeau Agreement) applies to this Loan of a Vibration Management Unit 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:

<u>Quantity</u>	<u>Description</u>	<u>Part/Stock#</u>	<u>Replacement Value (USD)</u>
1	Vibration Management Unit	1030-1013-SA	\$17,867.82

- 1.2. The Property identified above is not intended to be consumed or expended in the course of the testing conducted under this MOU.
- 1.3. The loan period is for six (6) months after signature of this MOU, unless the latter date is extended pursuant to paragraph 12.2. In the event that this MOU is terminated prior to expiration of the loan period, paragraph 3.4.5. applies.

SECTION II

OBJECTIVES

- 2.1. The overall objective of this MOU is to loan the Property for research, development, test and evaluation purposes. The specific objectives of this MOU are the:
- 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. provision of a report to the Providing Participant that describes the results of the test and evaluation effort conducted by the Receiving Participant.
- 2.2. The mutual benefits provided under this MOU will enhance helicopter rotor smoothing and drive train diagnostic software programs shared by both Participants.

SECTION III

MANAGEMENT AND RESPONSIBILITIES

- 3.1. Each Participant will establish a point of contact who will be responsible for coordinating and monitoring the overall test and evaluation effort to ensure achievement of the MOU objectives.

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

John D. Berry

Branch Chief, Aeromechanics Division

U.S. Army Aviation and Missile Research, Development & Engineering Center

Attn: AMSRD-AMR-AE-A, Bldg 4488

Redstone Arsenal, AL 35898-5000 USA

+1-256-705-9602

john.d.berry@us.army.mil

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

Brian Rebecchi

Head, Power Train Diagnostics, Air Vehicles Division

Defence Science and Technology Organisation

506 Lorimer Street, Fishermans Bend VIC 3207 Australia

+61-3-9626-7592

brian.rebecchi@dsto.defence.gov.au

- 3.2. Each Participant will also appoint a Test Project Officer (TPO) who will be responsible for implementing the responsibilities of the Participants as described herein.

3.2.1. For the Providing Participant the TPO is:

Jonathan A. Keller

U.S. Army Aviation and Missile Research, Development & Engineering Center

Attn: AMSRD-AMR-AE-A, Bldg 4488

Redstone Arsenal, AL 35898-5000 USA

+1-256-705-9627

jonathan.a.keller@us.army.mil

3.2.2. For the Receiving Participant the TPO is:

David Blunt

Aeronautical Engineer, Air Vehicles Division

Defence Science and Technology Organisation

506 Lorimer Street, Fishermans Bend VIC 3207 Australia

+61-3-9626-7577

david.blunt@dsto.defence.gov.au

3.3. RESPONSIBILITIES OF THE PROVIDING PARTICIPANT:

3.3.1. LOAN OF PROPERTY: The Providing Participant will loan the Property until testing and evaluation of the data are complete, or for the duration of the loan period, (including any extension thereof approved in writing by the Providing Participant), or termination of this MOU, whichever comes first. The Providing Participant's TPO will advise the Receiving Participant's TPO of the shipping details for the Property, and confirm the receipt of returned Property (or issue a certificate of its destruction).

3.3.2. PROPERTY DELIVERY: The Providing Participant will deliver the Property without charge to the Receiving Participant at the U.S. Army Aviation and Missile Research, Development & Engineering Center, Building 4488, Redstone Arsenal, Alabama, 35898-5000. Possession of the Property will pass from the Providing Participant to the Receiving Participant at the time of receipt of the Property. Any further transportation is the responsibility of the Receiving Participant, which will bear such costs in accordance with paragraph 4.3.

3.3.3. CONDITION: The Providing Participant will make its best efforts to ensure the Property is furnished to the Receiving Participant in a serviceable condition suitable for its intended purpose. However, the Providing Participant makes no warranty or 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's TPO will acknowledge receipt of the Property, advise when the Property is returned upon completion of the tests (or issue a certificate of destruction) in accordance with paragraph 3.4.5., and provide a test report in accordance with paragraph 3.4.6.

3.4.2. INSTALLATION: The Receiving Participant will be responsible for supplies and services required to install, align, check out, and otherwise properly 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 on the Property while in its possession.

3.4.5. REMOVAL AND RETURN OF EQUIPMENT; RESPONSIBILITY FOR DAMAGED OR RETURNED PROPERTY: Upon completion of testing and evaluation, expiration of the loan period (taking into account any approved extension of the loan period by the Providing Participant), or termination of this MOU pursuant to paragraph 12.3., whichever occurs first, the Receiving Participant will maintain any such Property in good order, repair, and operable condition. Unless the Providing Participant has authorized the Property to be expended or otherwise consumed without reimbursement to the Providing Participant, the Receiving Participant will return the Property to the Providing Participant in as good as condition as received, reasonable wear and tear excepted, to the location specified in paragraph 3.3.2., 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 the location specified in paragraph 3.3.2., 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.

3.4.6. TEST REPORT: The Receiving Participant will furnish the Providing Participant a test and evaluation report in accordance with this MOU. The test and evaluation report will be provided without charge and will be furnished to the Providing Participant no later than 90 days after completion of the loan period. The format and content of the report will reflect the purpose set forth in Section II (Objectives) 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 and evaluation report.
- 4.2. Each Participant will fully bear all costs it incurs for 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 within its country

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 the operation and maintenance 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 its 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 agree to ensure, by all means available to them, the protection of property rights for the Property, test data, and other information provided or generated under this MOU, 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 provisions of this MOU will be used and fully protected in accordance with this MOU.
- 5.8. The Participants mutually determine that this MOU provides the authority for the exchange of information as set forth in paragraphs 3.3.4. and 3.4.6. only.
- 5.9. All export-controlled information and/or Property furnished by the U.S. DoD, its contractors, and their subcontractors pursuant to this MOU will be subject to export controls established by the U.S. Government in accordance with the 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 keep information that is provided or generated under this MOU with the condition that it is to be treated in confidence, free 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 other 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 in confidence, the provisions of release and a statement to the effect that the information is furnished in confidence.

SECTION VII

VISITS TO ESTABLISHMENTS

- 7.1. Each Participant will facilitate visits to its government establishments, agencies and laboratories, and contractor industrial facilities by employees of the other Participant or the other Participant's contractor(s), provided that the visit is authorized by both Participants and the employees have appropriate security clearances and a need to know. Approved visits will be accommodated on a not-to-interfere basis.
- 7.2. All visiting personnel will be required to comply with security regulations of the host Participant. Any information disclosed or made available to visitors will be treated as if supplied to the Participant sponsoring the visiting personnel, and will be subject to the provisions of this MOU.
- 7.3. Requests for visits by personnel of one Participant to a facility of the other Participant will be coordinated through official channels, will cite this MOU as the basis for such requests, and will conform to the established visit procedures of the host Participant.
- 7.4. Lists of personnel of each Participant required to visit, on a continuing basis, facilities of the other Participant will be submitted through official channels in accordance with recurring international visit procedures.

SECTION VIII

SECURITY

- 8.1. 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 or Property will be provided or exchanged under this MOU.

SECTION IX

THIRD PARTY TRANSFERS

- 9.1. 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.

- 9.2. Disclosures or transfers requiring authorization under paragraph 9.1. 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 X

LIABILITY

- 10.1. Claims arising under this MOU will be dealt with under the Exchange of Notes constituting an Agreement between the Government of the United States of America and the Government of Australia Concerning Certain Mutual Defense Commitments done at Sydney on December 1, 1995 (Chapeau Agreement), paragraphs 1a and 1b.

SECTION XI

SETTLEMENT OF DISPUTES

- 11.1. 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 XII

ENTRY INTO EFFECT, AMENDMENT, AND TERMINATION

- 12.1. 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 responsibilities of the Participants will be subject to the availability of funds for such purposes.
- 12.2. 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.
- 12.3. This MOU may be terminated at any time:
 - 12.3.1. by mutual consent of the Participants;

- 12.3.2. by the Receiving Participant on 30 days written notice; or
- 12.3.3. by the Providing Participant at any time.
- 12.4. Arrangements and responsibilities regarding security and protection of property benefits against unauthorized use, disclosure, or transfer that accrued prior to termination or expiration of this MOU will continue to apply without limit of time.
- 12.5. This MOU will come into effect on the date of the later signature below, and unless terminated or extended, will remain in effect for twelve (12) 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:



 Signature

C.D. Wray

 Name

Deputy Assistant Secretary of the Army for Defense Exports and Cooperation

 Title

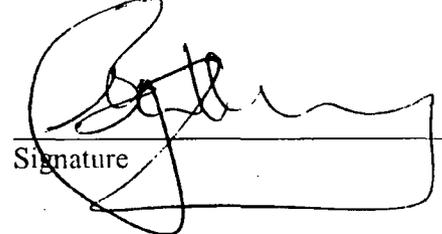
December 14, 2006

 Date

Arlington, VA, USA

 Location

For the Department of Defence of Australia



 Signature

AIRCDRRE GRAHAM BENTLEY, RAAF

 Name

ACTING HEAD
 AUSTRALIAN DEFENCE STAFF
 WASHINGTON

 Title

11 JANUARY, 2007

 Date

WASHINGTON DC, USA

 Location