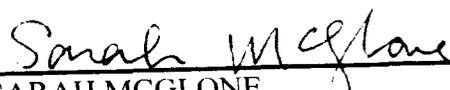


AMENDMENT 2
TO THE
PROJECT AGREEMENT
ANNEX TO THE
RESEARCH, DEVELOPMENT, TEST, EVALUATION, PRODUCTION, AND
LIFE CYCLE SUPPORT ACTIVITIES FOR TECHNOLOGIES AND SYSTEMS FOR
AEGIS-EQUIPPED SHIPS
MEMORANDUM OF AGREEMENT
DATED FEBRUARY 28, 2002
AEGIS COMBAT SYSTEM PROJECT AGREEMENT NO. TWO
BETWEEN
THE DEPARTMENT OF DEFENSE OF THE UNITED STATES
AND
THE MINISTER OF DEFENSE OF THE KINGDOM OF SPAIN
FOR
COOPERATIVE TEST AND EVALUATION

Certified to be a true copy:


SARAH MCGLONE
International Agreements Negotiator
Navy International Programs Office

PREAMBLE

The purpose of this Amendment 2 (Amendment) to the Project Agreement Annex to the Research, Development, Test, Evaluation, Production, and Life Cycle Support Activities for Technologies and Systems for AEGIS-Equipped Ships Memorandum of Agreement, dated February 28, 2002, AEGIS Combat System Project Agreement No. Two between the Department of the Defense of the United States of America and the Minister of Defense of the Kingdom of Spain for Cooperative Test and Evaluation (PA2) is to expand the scope of work of PA2 to include a fourth Combat System Ship Qualification Trial test event with the Spanish Navy's first Baseline S2 frigate and either a Navy DDG Class Destroyer or a CG 47 Class Cruiser and to extend the term of PA2. Accordingly, the Department of Defense of the United States of America and the Minister of Defense of the Kingdom of Spain, hereinafter referred to as "the Parties," have agreed as follows:

SECTION I

AMENDMENT

The PA2 is hereby amended as follows:

1. Amend the Table of Contents as follows:

a. Rename Article Eight as follows:

"ARTICLE EIGHT: CONTRACTING AND DISCLOSURE AND USE OF PROJECT INFORMATION."

2. Amend Article Two (Definition of Terms and Abbreviations) by adding the following definitions:

Contractor Support Personnel

Persons specifically identified as providing administrative, managerial, scientific, or technical support services to a Party under a support Contract.

Party

A signatory to the AEGIS Framework MOA or this PA represented by its military and civilian personnel. Contractors and Contractor Support Personnel shall not be representatives of a Party under the AEGIS Framework MOA or this PA.

Prospective Contractor

Any entity that seeks to enter into a Contract to be awarded by a Party's Contracting Agency and that, in the case of a solicitation involving the release of export-controlled information, is eligible to receive such information."

3. Amend Article Three (Objectives) by replacing paragraph 3.5. with the following:

“The objectives of this T&E Project PA will be met during four joint U.S. - Spain Combat System Ship Qualification Trials (CSSQT). These Trials will involve the Spanish Navy’s F-102 and the U.S. Navy’s DDG 91, the Spanish Navy’s F-103 and the U.S. Navy’s DDG 97, the Spanish Navy’s F-104 and the U.S. Navy’s DDG 101, and the Spanish Navy’s first Baseline S2 ship (expected to be F-101), and a U.S. Navy DDG 51 Class Destroyer or a CG 47 Class Cruiser.”

4. Amend Article Six (Management) as follows:

a. Replace the first and second sentences of paragraph 6.7. with the following:

“There will be four trials conducted during this T&E Project. These trials are expected to be conducted in September 2004 (F-102 and DDG 91), October 2005 (F-103 and DDG 97), June 2007 (F-104 and DDG 101), and in 2009 or 2010 (F-101 and a DDG 51 Class Destroyer or a CG 47 Class Cruiser).”

b. Add the following new subparagraph 6.8.6.:

“employing its best efforts to resolve, in consultation with the export control authorities of the Party concerned, any export control issues raised by the PM and DPM in accordance with subparagraph 6.9.7. of this Article or raised by a Party’s PSC representative in accordance with paragraph 6.10. of this Article.”

c. Add the following new subparagraph 6.9.7.:

“Monitoring export control arrangements required to implement this PA and, if applicable, referring immediately to the PSC any export control issues that could adversely affect the implementation of this PA.”

d. Add the following new subparagraph 6.9.8.:

“Developing and maintaining a list of all Project Equipment provided by one Party to the other Party. This list shall be maintained in the following format:

Nomenclature	Part#/ Model No.	Replacement Value	Receiving Party	Date Transferred”
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e. Add the following new paragraph 6.10.:

“If a Party finds it necessary to exercise a restriction on the retransfer of export-controlled information as set out in paragraph 8.5. of Article Eight (Contracting and Disclosure and Use of Project Information), it shall promptly inform the other Party. If a restriction is then exercised and the affected Party objects, that Party’s PSC representative shall promptly notify the other Party’s PSC representative and

they shall immediately consult in order to discuss ways to resolve such issues or mitigate any adverse effects.”

5. Amend Article Seven (Financial Arrangements) as follows:

a. Replace the second sentence of paragraph 7.2. with the following: “The Parties estimate that the performance of their combined obligations under this PA shall not cost more than a financial ceiling of \$37.046M U.S. then-year dollars.”

b. Replace paragraph 7.3. with the following:

“The Parties shall provide a total non-financial contribution of \$20.55M to include Contract administration and the use of U.S. AEGIS Class Destroyers (DDG 51 Class) and Crew and CG 47 Class Cruisers and Crew; and the Spanish Navy’s F-100 Class Frigates and Crew.”

c. Replace paragraph 7.10. with the following:

“For performance of efforts under this PA, the MOD shall provide the U.S. DOD with approximately \$14.863M for Contracts placed on the Spanish MOD’s behalf. For Contracts placed on behalf of the Spanish MOD for its unique national requirements in this T&E project, funds (approximately \$9.86M) shall be provided to the U.S. DOD according to the schedule in the Financial Management Procedures Document.”

6. Amend Article Eight (Contracting) by changing the title to “Contracting and Disclosure and Use of Information” and by adding the following new paragraphs:

“8.2. In addition to the requirements of Article VI (Contracting Provisions) of the AEGIS Framework MOA, each Party’s Contracting Agency shall insert into its prospective Contracts (and require its Contractors to insert into subcontracts) suitable provisions to satisfy the export control provisions of this PA, in particular paragraphs 8.3. and 8.4. of this Article.

8.3. Each Party shall legally bind its Contractors to a requirement that the Contractor shall not retransfer or otherwise use export-controlled information furnished by the other Party for any purpose other than the purposes authorized under the AEGIS Framework MOA or this PA. The Contractor shall also be legally bound not to retransfer the export-controlled information to another Contractor or subcontractor unless that Contractor or subcontractor has been legally bound to limit use of the information to the purposes authorized under the AEGIS Framework MOA or this PA. Export-controlled information furnished by one Party under this PA may only be retransferred by the other Party to its Contractors if the legal arrangements required by this paragraph have been established.

8.4. Each Party shall legally bind its Prospective Contractors to a requirement that its Prospective Contractor shall not retransfer or otherwise use export-controlled information furnished by the other Party for any purpose other than responding to a solicitation issued in furtherance of the purposes authorized under the AEGIS Framework MOA or this PA. Prospective Contractors shall not be authorized use for any other purpose if they are not awarded a Contract. The Prospective Contractors shall also be legally bound not to retransfer the export-controlled information to a prospective subcontractor unless that prospective subcontractor has been legally bound to limit use of the export-controlled information for the purpose of responding to the solicitation. Export-controlled information furnished by one Party under this PA may only be retransferred by the other Party to its Prospective Contractors if the legal arrangements required by this paragraph have been established. Upon request by the furnishing Party, the receiving Party shall identify its Prospective Contractors and prospective subcontractors receiving such export-controlled information.

8.5. With regard to disclosure and use of Project Information, transfer of Project Information shall be consistent with the furnishing Party's applicable export control laws and regulations. Unless otherwise restricted by duly authorized officials of the furnishing Party at the time of transfer to the other Party, all export-controlled information furnished by that Party to the other Party may be retransferred to the other Party's Contractors, subcontractors, Prospective Contractors, and prospective subcontractors, subject to the above stated requirements of paragraphs 8.3 and 8.4 of this Article. Export-controlled information may be furnished by Contractors, subcontractors, Prospective Contractors, and prospective subcontractors of one Party's nation to the Contractors, subcontractors, Prospective Contractors, and prospective subcontractors of the other Party's nation pursuant to this PA, subject to the conditions established in licenses or other approvals issued by the Government of the former Party in accordance with its applicable export control laws and regulations."

7. Amend Article Nine (Classification) by adding the following new paragraph to the end of the Article:

"9.3. In accordance with paragraphs 10.2. of Article X (Controlled Unclassified Information) and 12.5. of Article XII (Security) of the AEGIS Framework MOA, the Parties' export-controlled information shall be marked in accordance with the applicable Party's export control markings as documented in the Project Security Instruction. The Parties shall also decide, in advance and in writing, on the markings to be placed on any other types of Controlled Unclassified Information and shall describe such marking in the Project Security Instruction."

8. Amend Article Eleven (Entry Into Force, Duration and Termination) as follows:

a. Add the following as a new first sentence at the beginning of the Article:

“All activities of the Parties under this PA shall be carried out in accordance with their respective national laws and regulations, including their respective export control laws and regulations.”

b. Replace the phrase “for six years.” as changed in Amendment 1, with “until February 28, 2012.”

9. Amend ANNEX A (Spanish Financial Contribution Estimates) as follows:

a. Replace paragraph A.2. with the following:

“The management procedures in the FMPD describe the mechanisms under which the MOD will make \$14.863M available for the cooperative Project. Additional funds in the amount of \$1.64M will be made available for reimbursement for Project Equipment in the case that Project Equipment is lost or damaged during the Project.”

b. Replace paragraph A.3. with the following:

“Spanish national costs are estimated to be \$9.86M.”

c. Replace paragraph A.4. of Annex A with the following:

“The Spanish payment schedule under the PA is:

2003	\$2.2M
2004	\$4.5M
2005	\$5.6M
2006	\$6.76M
2007	\$0.6M
2008	\$0M
2009	\$5.063M
TOTAL	\$24.723M

10. All other provisions of this PA remain unchanged.

SECTION II

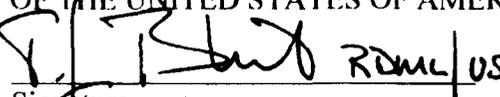
EFFECTIVE DATE AND SIGNATURES

This Amendment shall enter into force upon signature by both Parties and shall remain in force as long as the PA which it amends.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their Governments, have signed this Agreement.

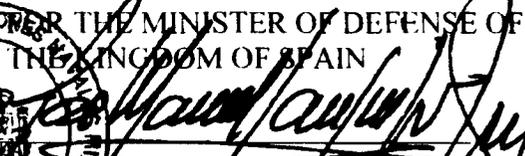
DONE, in duplicate, in the English language.

FOR THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA


Signature
T.J. BENEDICT
Name



FOR THE MINISTER OF DEFENSE OF THE KINGDOM OF SPAIN


Signature
JM SANJURJO JUL
Name

PEO IWS
Title

26 June 2009
Date

Washington, DC, USA
Location

DIRECTOR DE CONSTRUCCIONES
Title NAVALES

029 JUNIO 2009
Date

MADRID.
Location