

CHARTER

of the

TRAINING AND SIMULATION TECHNOLOGY CONSORTIUM

This document is the agreement between the industry and university members that brings together a full complement of participants in the training and simulation field from businesses to State and Federal governments for the transfer through enhanced utilization and exploitation in the national interest, of defense related technology. The Consortium arises under the Defense Dual-Use Assistance Extension Program of the Technology Reinvestment Project, and the support of the Advanced Research Projects Agency of the Department of Defense in response to the proposal, Moving In A New Direction: Training and Simulation Technology Access.

1.0 FORMATION OF ASSOCIATION

1.1 INTENT TO FORM

The intent of this Consortium is to initiate, facilitate and focus upon training and simulation technology transfers from the government use to commercial use and promote applications of commercially available technology to government requirements (Spin-On Promotion).

1.2 DEFINITIONS

"CONSORTIUM" shall mean the Training And Simulation Technology Consortium, an alliance of the industry, academia and Government Agencies listed in paragraph 4.1 and any additional new members who may join in accordance with paragraph 4.3.

"CONSORTIUM EMPLOYEE" shall mean an employee working on behalf of the Consortium. i.e. The Executive Director and his staff who will be responsible to the Corporate Board of Directors.

"CORPORATION" shall mean the Training And Simulation Technology Consortium, Incorporated.

"MEMBER" shall mean the industry, academia and Government Agencies listed in paragraph 4.1 and added in accordance with paragraph 4.3.

"MEMBER EMPLOYEE" shall mean an employee employed by a Member.

2.0 OBJECTIVE; FUNDING

2.1 OBJECTIVE

The objective of the Consortium is to provide access to effective training and simulation technologies in order to support the creation, preservation, and enhancement of quality public and private sector jobs. This will be accomplished by stimulating the rapid, professional, tailored transfer of training processes, tools, techniques, and delivery systems to commercial and federal market sectors. The ultimate goal is for the Corporation to become financially independent.

2.2 FUNDING

The Corporation will conduct the business of the Consortium and will operate on a cost reimbursable, not-for-profit basis. Members wishing to employ the resources and expertise of the Consortium will contract for those services by entering into an agreement among themselves or with the Corporation, which may include an agreement to share with the Corporation in the revenue arising from the product of the undertaking if the undertaking was derived from action by the Corporation. Customers and other third parties first identified by the Corporation as wanting to employ the resources and expertise of the Consortium will enter into an agreement with the Corporation and contract for those services by separate written agreement with the Consortium Member(s).

To the extent Members pay a marketing fee or any other fees to the Corporation for any services of any kind rendered by the Corporation, such will be governed by a separate written agreement between the Corporation and the Member.

It is intended that the Consortium shall be funded through Advanced Research Projects Agency (ARPA) awards and fees earned by the Corporation as a result of contracts awarded to the Member(s) or other third parties pursuant to separately negotiated agreements.

3.0 SCOPE OF ACTIVITIES

The mission of the Consortium shall be to provide access to effective training and simulation technologies in order to support the creation, preservation, and enhancement of quality public and private sector jobs. The Consortium shall accomplish this by performing in accordance with its Proposal entitled Moving in a New Direction: Training and Simulation Technology Access under the Defense Dual-Use Assistance Extension Program, to stimulate the rapid, professional, tailored transfer of training processes, tools, techniques and delivery systems to targeted portions of the commercial and federal market sectors.

4.0 MEMBERSHIP AND CONTRIBUTIONS

4.1 MEMBERS

The initial Members are the University of Central Florida for and on behalf of the Institute for Simulation and Training and the Small Business Development Center; Analysis and Technology, Inc.; DUAL Incorporated; Dynamics Research Corporation; the Federal Systems Company of the International Business Machines Incorporated; the National Aeronautics and Space Administration (NASA) Kennedy Space Center; the US Army Simulation Training and Instrumentation Command (STRICOM) and the Naval Air Warfare Center Training Systems Division (NAWCTSD).

4.2 MEMBERS' CONTRIBUTIONS

No cash contribution is being provided by any Member.

University of Central Florida Institute for Simulation and Training (UCF/IST):

UCF/IST is providing \$205,000.00 per year for salaries and usage of facilities (including laboratories), software and equipment. All UCF/IST facilities, software and equipment used for technology demonstration and for performing tasks must be mutually agreed to by the Association and UCF/IST. All equipment and software usage requires use of UCF/IST personnel to operate the equipment and all facilities usage requires the presence of responsible UCF/IST personnel. All usage will be on a non-interference basis with other on-going projects and must be properly scheduled in advance. Simulation and training equipment includes the Evans and Sutherland ESIG 2000 computer image generator, a Harris Night Hawk Computer System, and software packages from Alias, Inc.

University of Central Florida Small Business Development Center (UCF/SBDC):

UCF/SBDC is providing approximately \$50,870 per year which includes the following: 15% of the salary and benefits of the director of the Small Business Development Center; 5% of the salary and benefits of the Executive Director of the Center for Executive Development; as well as 10 days utilization of the University's Team-net Facility.

Analysis and Technology, Inc.:

A&T will provide tools which generate interactive multimedia for simulation as well as tools which support the development of performance support systems. These tools will be provided to the

Consortium for technology demonstration and for use in consulting tasks. Additionally, A&T shall provide multimedia training materials for use by the Consortium. This in-kind contribution of A&T is valued at approximately \$42,000.00 per year for each of the five (5) years.

DUAL Incorporated:

DUAL is providing in-kind contributions valued at a total of \$150,000.00 over five (5) years by providing one technical expert and a program manager.

Dynamics Research Corporation:

DRC will provide approximately \$58,200.00 of labor toward independent research and development, and other consulting services performed during the first three years of the contract. Additionally, DRC will license to the Consortium, the following tools: Media Selection (MS) Tool, Learning Objectives Classification (LOC) Tool, Test Item Correlation (TIC) Tool and Course Outline Analysis (COA) Tool. DRC shall license eight (8) sets of these tools for an approximate value of \$64,200. Finally, DRC also will contribute maintenance on the tools for five years and a two (2) day TSRA Tool User Course for eight (8) students. DRC will also provide office space, furniture and part-time administrative support for the first year of the TSTC/ARPA cooperative agreement, at a value of \$27,420. DRC's total in-kind contribution for five years will be \$204,201.90.

Federal Systems Company of International Business Machines Corporation (FSC):

FSC has identified \$100,000.00 of relevant Independent Research and Development efforts to be performed in the initial year of the contract. This contribution is contingent upon the monies maintaining a status as Independent Research and Development funds.. Additionally, FSC will license to the Consortium, for the purposes of evaluation and demonstration, the Training Development and Delivery System and the Training Management System Software. These software licenses are valued at approximately \$350,000.00 per year for five years. Additionally, FSC shall provide the Consortium access to its Training Laboratory -- the time and dates to be determined. FSC's total contribution shall not exceed \$365,200.00 in the initial twelve months.

US Army Simulation, Training and Instrumentation Command (STRICOM):

STRICOM is providing \$145,000 of in-kind contributions per year for the first two years of the contract. For each year, this represents one and one third (1 1/3) man years of technical and program management expertise in the simulation, education and training fields. In addition to consulting services, in-kind

contributions represent access to lab space, most of which has been identified by the UCF (IST), and training products and systems developed by the Army and currently in use by the Army, Navy, Air Force and Marine Corps. STRICOM is also providing unlimited access to its Electronic Bulletin Board, which has over 800 active accounts representing more than 300 different companies across the United States working in the simulation, education and training fields. The bulletin board will be critical to Consortium Efforts to expand the target audience.

National Aeronautics and Space Administration (NASA),
Kennedy Space Flight Center:

NASA is providing approximately \$83,000 in the first year, to include 40% of salaries, benefits, and equipment of the Manager, Technology Marketing and Communication (the ARPA Executive Agent), 500 hours of consulting and technical experts, Training and Simulation Test Bed (5 computers @ \$1600 plus 80 hours of labor @ \$25/hr and communications equipment (6 @ \$1200/ea) and supplies.

Naval Air Warfare Center Training Systems Division
(NAWCTSD):

NAWCTSD is providing approximately \$128,600 in the first year, to include 1.5 work years of effort (includes management, principal investigator, clerical and financial support).

4.3 ADDITIONAL MEMBERS

Membership and participation in the Consortium is open to qualified entities that have interest in training and simulation technology. Any such entity that applies shall be evaluated by the Consortium's Advisory Committee and shall be proposed to the Corporation's Board of Directors if three fourths of the committee assesses that the applicant has shown that it is responsible, has technology suitable for the Consortium, is willing to comply with all the applicable terms, conditions, rules and by-laws now adopted by the Consortium, and offers a matching contribution commensurate with prior contributions made by like-type entities. The Corporation's Board of Directors shall have the power to admit those entities recommended by the Committee.

5.0 FINANCING OF CONSORTIUM

5.1 SOURCES

The Consortium will be funded initially through an award by the Advanced Research Projects Agency. Additional sources of funding shall be through separate agreements between and/or among the Members, other third parties, and the Corporation as provided in Paragraph 2.2 above.

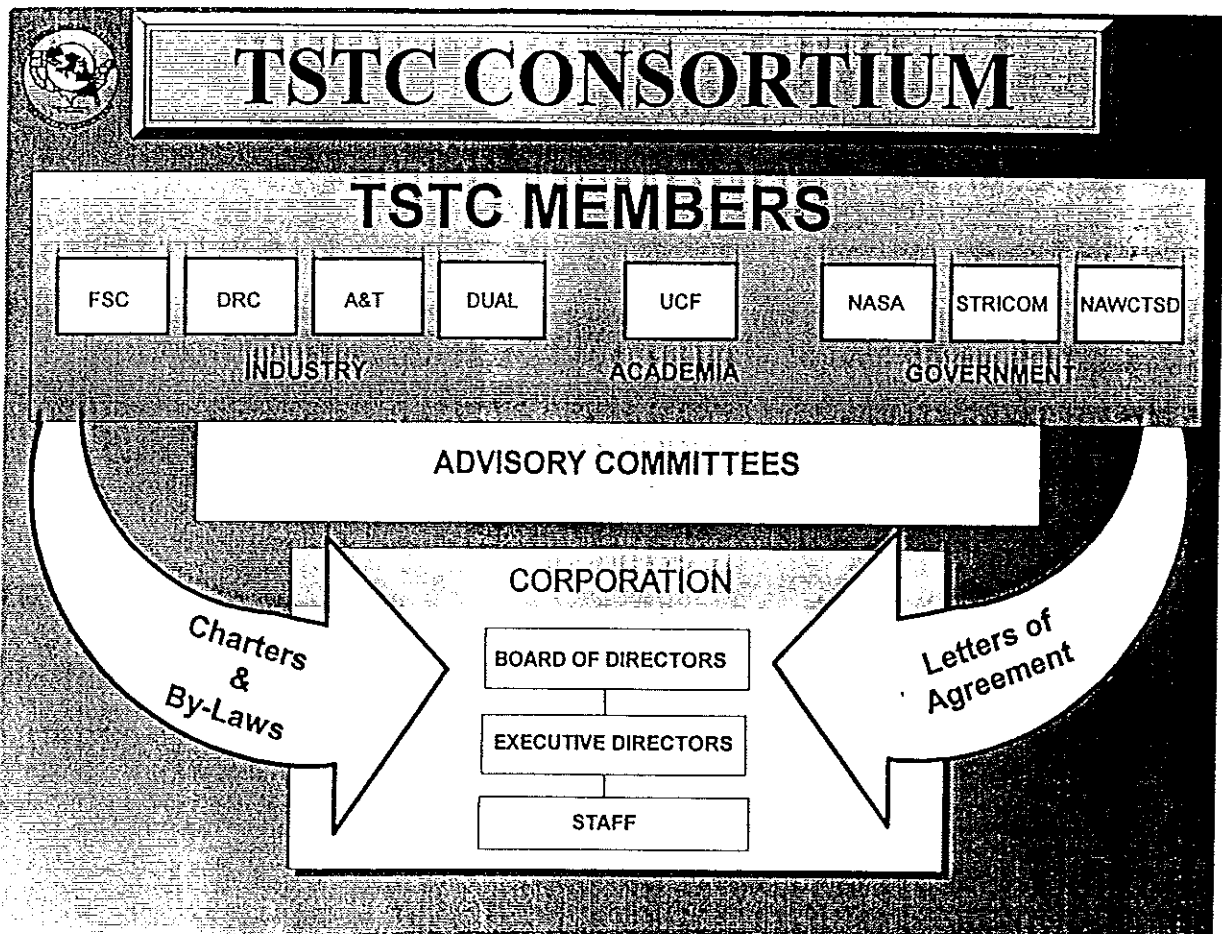
5.2 FEES, EXPENSES

The Corporation shall be solely responsible for its own expenses. Members shall be responsible for their expenses.

6.0 CONSORTIUM MANAGEMENT AND OPERATING AUTHORITIES

6.1 GOVERNANCE

The Corporation will be formed by and composed of the industry Members and the University of Central Florida. The Corporation will enter into Letter(s) of Agreement with the Federal Government Agencies (NASA, STRICOM, and NAWCTSD) for their cooperative participation under 10 USC 2511 in the Consortium. The Corporation will have a Board of Directors and an Advisory Committee comprised of Members of the Consortium. The Board will be responsible for general goal setting, general project prioritization and evaluation of the Executive Director's performance and activities.



NOTWITHSTANDING any other provision in this Agreement, the Members that are Federal Agencies are affiliated with the Consortium only by Letter(s) Of Agreement with the Corporation or other agreement hereinafter specifically adopted in writing by the Agency, and are not signatories hereto or bound by any term hereof unless so stated in said Letter(s) Of Agreement or said other agreement. Representatives from the Agency Members have the right to vote and may serve on advisory committees, but they will not serve on the Board of Directors of the Corporation. The Members that are not Federal Agencies agree that the Agency Member(s) have full membership rights in the Consortium, and that the Agencies are not accepting by their participation in the Consortium any responsibility, liability or obligation stated in this Agreement. The responsibility and obligation, if any, accepted by an Agency Member shall be stated in said Letter(s) Of Agreement or said other agreement.

In order to prevent Members of the Consortium from being disqualified under the Organizational conflict of Interest provisions of the Federal Acquisition Regulation Subpart 9.5, there shall not be created or established conflicting roles between the U.S. Government and the Consortium or its Members that might bias the judgement of a government contractor; and, there shall not be created or established an unfair competitive advantage with respect to the award of any government contract.

6.2 EXECUTIVE DIRECTOR AND STAFF

The Executive Director will work with a small staff of professionals and administrative specialists which may include, by way of example, a Marketing Coordinator, a Technology Coordinator, a Consulting Coordinator, an Administrative Assistant and a Secretary or Receptionist. The Executive Director, serving at the pleasure of the Board of Directors, shall direct the day-to-day activities of the Corporation and coordinate activities between the Members and [Consortium] the Corporation as appropriate.

6.3 ACTING EXECUTIVE DIRECTOR

It is anticipated that the search process for a full-time Executive Director may require several months. During this time, the Board of Directors will appoint an Acting Executive Director.

The Acting Executive Director will be selected from a Member company and will not be compensated by the Consortium Corporation. However, the contribution of the Acting Executive Director will be included as part of the in-kind contribution of the Member. The Acting Executive Director will assume all responsibilities of the Executive Director.

6.4 ANTICIPATED COMMITTEES

There will be an Advisory Committee, and one or more additional committees established by the Executive Director as are reasonably necessary to facilitate the day-to-day operations of the Consortium. The purpose of the committees is to assist the Board of Directors and the Executive Director. The committees will be composed of employees from Consortium Members. Committee members serve at the pleasure of the Board of Directors and are not compensated by the Corporation. The committees will function in an advisory role only. The following committees are anticipated.

6.4.1 Advisory Committee

The Advisory Committee shall consist of representatives of the founding members of the Consortium and will be responsible for advising the Executive Director and, as required, the Board of Directors regarding, technology matters, membership matters and structuring recommendations for the Consortium with regard to future projects, technological goals and their respective prioritization.

6.4.2 Finance Committee

The Budget Committee shall be responsible for recommending the annual budget for the Consortium and monitoring and analyzing budget variances, bank accounts, collection and disbursement of funds as well as other financial matters as directed by the Board of Directors.

6.4.3 Contracts Committee

The Contracts Committee shall be responsible for recommending and reviewing the terms and conditions of contractual commitments made by the Corporation. The activities of this Committee may include drafting model agreements such as Marketing Agreements between the Corporation and individual Members; Teaming Agreements between and/or among the Corporation and individual Member(s) and Memorandum of Understanding between the Corporation and individual Members. If an agreement between an individual Member and the Corporation contains information considered proprietary to the Member, then the Committee will only have access to the proprietary information if the Member and the Committee enters into a Confidential Disclosure Agreement.

6.4.4 New Business Opportunities Committee

The New Business Opportunities Committee shall be responsible for reviewing and evaluating new business opportunities and recommending Member participation. The Committee also may recommend third parties when a Member is not available to pursue an opportunity. The Marketing Coordinator or the Consulting

Coordinator will chair this committee as assigned by the Executive Director.

6.4.5 Resource Recruitment Committee

The Resource Recruitment Committee shall be responsible for recommending personnel resources for the Consortium staff and consulting requirements. The role of the Committee may include drafting job descriptions and recruiting suitable candidates for the available positions. The final hiring authority for Corporation Staff positions shall rest with the Executive Director. The Board of Directors shall hire the Executive Director.

6.5 VOTING RIGHTS

To the extent that Members shall vote on any issue, each Member shall have one (1) vote. In the event of a tie, the Executive Director will cast the tie-breaking vote.

6.6 POWERS RESERVED TO THE EXECUTIVE DIRECTOR

The following powers of the Corporation are reserved to the Executive Director:

- Project Approval
- Funding Issues
- Hiring and Firing of Corporation staff
- Signature Authority to conduct Corporation business
- Executing Memorandums of Understanding with Members

6.7 MEETINGS

Meetings of the Board of Directors will be held as provided in the By-Laws of the Consortium.

6.8 ALTERNATE REPRESENTATIVES

Consortium members may change their Representatives to the Consortium upon written notice to the Executive Director.

6.9 MEMBER REPRESENTATIVES

The representatives for each Member for the below listed Members are as follows:

For University of Central Florida:

For DUAL: John Preston

For A&T: Susan Varnadoe

For DRC: William Jorgensen

For FSC: John Gravois
For NASA: Priscilla Elfrey
For STRICOM: Dave Manning
For NAWCTSD: Janet Weisenford

6.10 BY-LAWS

The By-Laws of the Consortium are attached as Exhibit A to this Agreement.

7.0 STAFFING, EMPLOYEE MATTERS AND OPERATIONS

7.1 CONFIDENTIALITY AGREEMENTS

The Corporation shall enter into appropriate confidentiality agreements with the Members to ensure that each Member's confidential information is not disclosed to other Members or third parties without the prior written express consent of the Member. The Corporation shall ensure that an appropriate agreement is in place with each Corporation Employee to enable the Corporation to comply with its confidentiality obligations and to ensure that Corporation Employees are bound by disclosure obligations.

7.2 APPLICABLE LAWS

The Corporation shall abide by all Federal laws and the laws of the State of Florida.

8.0 COPYRIGHTS, PATENT AND KNOW-HOW RIGHTS AND LICENSES

Each Member is solely responsible for its individual technology and the laws, rules, regulations which may affect that technology. Nothing in this Agreement shall be construed or implied to grant a license of a Member's technology to another Member. No license of any kind is granted by any of the Members to the Corporation except those express licenses stated in this Agreement or other separately negotiated agreement.

9.0 TERM, TERMINATION, WITHDRAWAL

9.1 TERM/EFFECTIVE DATE

The term of this Agreement is five years. The effective date of this Agreement as to each Member shall be upon acceptance by each Member of the agreement between the Consortium and ARPA or receipt by the Consortium of the ARPA funds, whichever date is later.

9.2 VOLUNTARY WITHDRAWAL

Any Member may withdraw from participation in the Consortium by giving sixty (60) days written notice of withdrawal to the Consortium. Withdrawal shall not relieve the Member of its responsibility to fulfill its obligations, including funding and resource commitments for the year in which the Member's withdrawal is effective.

In the event that ARPA does not fund the Consortium, Members may withdraw immediately upon written notice.

9.3 INVOLUNTARY WITHDRAWAL

The Board of Directors may request any Member who consistently fails to attend meetings or does not make its matching contributions to withdraw from the Consortium. Notification of removal of the Member from all information access to Consortium business (e.g. correspondence, databases, etc.) shall accompany this request.

10.0 GENERAL

10.1 NO WARRANTY

No warranty of any kind is provided with any Members' technology unless otherwise agreed to by the Member in a separate written agreement.

10.2 LIMITATION OF LIABILITY

Except as expressly stated herein, no liability or obligations between the parties are created by this Agreement. In no event will any Member be liable to any other Member for incidental damages, lost profits, lost savings or any other like damages, including consequential damages regardless of whether the claim is for breach of contract, warranty, tort (including negligence), failure of a remedy to accomplish its purpose or otherwise, even if such party has been advised of the possibility of such damages.

10.3 FREEDOM OF ACTION

Nothing in this Agreement shall prevent or prohibit the parties from independently developing or acquiring and marketing technology(ies) and or program(s) which are competitive to or identical to the technology described under this Agreement. The parties are free to compete for any opportunity independent of any Consortium activity.

10.4 NO OBLIGATION

No obligation is imposed upon any Member until a definitive final agreement is signed by the parties. This Agreement shall be contingent upon ARPA award and funding.

10.5 INDEMNIFICATION

No Member shall be liable for the acts of the other Members or the acts of the Consortium. The Corporation shall indemnify and hold harmless the Members and their respective employees from and against any claim arising from or as a result of, acts or omissions by the Corporation or its employees.

11.0 BOARD OF DIRECTORS

The Board of Directors will act in accordance with the Corporation's By-Laws. The founding members of the Consortium will be allowed to serve on the Board of Directors and the sitting Board shall elect its officers. Subsequent members of the Board of Directors will be elected by the members of the Consortium and must receive at least three fourths of the votes. Directors shall not be reimbursed for expenses, including travel to or from meetings.

12.0 SOLE AGREEMENT

This is the sole Agreement between the Members and supersedes any prior written or oral agreements of any kind on the subject matter of this Agreement. This Agreement may be modified or amended only by a written agreement signed by the authorized representative of the Members.

ACCEPTED BY:

Organization: Dynamics Research Corporation
Name: Arthur Brown
Title: Vice President, Contracts

Signature: Arthur Brown

Date: March 3, 1994