

## APPENDICES 1A and 1B:

Below are the Subcontract Terms and Conditions that are applicable to successful Primary Applicants. There are different terms applicable depending on whether the Primary Applicant is from PRIVATE UNIVERSITIES OR COLLEGES OR INDUSTRY or from a PUBLIC COLLEGE OR UNIVERSITY.

- Appendix 1A applies to Primary Applicants from Private colleges and universities and Industry, including both for-profit and non-profit organizations, or
- Appendix 1B applies to Primary Applicants from Public colleges and universities that are formed under the State of Ohio, and are organized as entities that are subject to different regulatory requirements.

Exceptions:

Pursuant to Section 3.9.5 in the Opportunity Announcement, Exceptions to the terms and conditions of the Opportunity Announcement, including Appendix 1A or 1B, are **NOT** sought. However, if the Primary Applicant chooses to take exceptions, such exceptions shall be clearly listed as an Appendix to the Business and Cost Proposal Volume using Attachment 1. OFRN/Parallax is under no obligation to enter into negotiations related to such exceptions.

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## APPENDIX 1A: Subcontract Terms and Conditions – Private Universities or Colleges and Industry (Either For-Profit or Not-for-Profit Organizations)

### Section A. Subcontract / Purchase Form

#### [Purchase Order]

### Section B: Contract Type and Prices/Costs

#### B.1 Subcontract Type:

This is a Cost Reimbursement (NO FEE) Subcontract.

Subcontractor shall perform Work under this Subcontract as directed by Parallax. The Subcontract shall specify the estimated price ceiling, the period of performance, a description of the Work to be performed, and any other related and relevant stipulations. “Work” includes all required labor, articles, materials, supplies, goods and services constituting the subject matter of this Subcontract.

#### B.2 Subcontract Cost:

The total ceiling cost of this contract to be paid by Parallax to Subcontractor for the Program is \$TBD. Costs will be reimbursed in accordance with the cost principles of 2 CFR Part 200 as applicable. In the event any payments to the Subcontractor are subsequently disallowed in accordance with these principles, the Subcontractor shall repay Parallax on demand the amount of any such disallowed items or, at its discretion, Parallax may deduct such amount from subsequent payments.

#### [TBD Subcontract Cost Table Breakdown]

#### B.3 Funding and Compensation

Incremental funding in the amount of \$TBD is provided with this Subcontract. Parallax’s obligation to make payments to the Subcontractor is limited only to the funds obligated by the Purchase Order or Purchase Order modification(s).

Incremental funding is subject to the availability of funds and continued satisfactory progress on the Subcontract as determined by Parallax. Funding is predicated on the Subcontractor providing a cost sharing contribution of \$TBD. Reference the Primary Applicant’s final cost/budget is included in Section J

Attachment 1.

#### **B.4 Order of Precedence:**

In the event of an inconsistency between any of the provisions of this Subcontract, the inconsistency shall be resolved by giving precedence to the provisions of the Subcontract in the following order:

- (1) The Subcontract
- (2) Terms and Conditions
- (3) Statement of Work
- (4) Types, amounts, process

#### **Section C: Statement of Work –OFRN Review and Update**

##### **C.1 Effort to be Performed**

The Subcontractor shall provide the necessary services to perform the Work stated herein in the Statement of Work. "Work" shall include all required labor, articles, materials, products, supplies, goods and services constituting the subject matter of this Subcontract.

**[Remainder of Section C is the Primary Applicant's SOW and is TBD, Based on Final Proposal and Award]**

#### **Section D: Packaging and Marking**

##### **D.1 Packaging and Marking:**

Unless otherwise specified herein, the Products required under this order shall be packed in accordance with the best available commercial practices and in compliance with transportation regulations.

##### **D.2 Certification and Warranty**

Subcontractor certifies that it is and shall remain free from any obligation or restriction which would interfere, be inconsistent with or present a conflict of interest concerning the Work to be furnished by Subcontractor under this Agreement. Subcontractor further certifies that it will perform the services under this Agreement with the degree of high professional skill, practices and judgment which is normally exercised by recognized professional firms with respect to services of a similar nature.

#### **Section E: Inspection and Acceptance:**

##### **E.1 Inspection and acceptance**

Inspection and acceptance of all items or services contemplated under this Subcontract shall be accomplished by the Parallax Contracts Manager or Parallax Technical Lead. Parallax has the right to accept items or services to the extent practicable at all places and times during the term of this Subcontract. If any supplies or services do not conform with Subcontract requirements, Parallax may require the Subcontractor supply the item or perform the services again in conformity with the subcontract requirements. If the Subcontractor fails to promptly perform the services again or take action necessary to ensure future performance in conformity with contract requirements, Parallax may reduce the amount of the Subcontract in an amount equal to the cost of replacing the items or services to meet the inspection and acceptance requirements or terminate the Subcontract for default.

#### **Section F: Deliveries and Performance**

##### **F.1 Deliveries and Acceptance**

Unless otherwise specified, deliveries required in performance of this Subcontract shall be made to the Parallax Points of Contact identified below. Email submissions are desired as long as Subcontractor ensures the submission is received by Parallax. Send email to [becky.mescher@parallaxresearch.org](mailto:becky.mescher@parallaxresearch.org)

All data shall be delivered in accordance with the delivery schedule identified in the SOW.

All reports and correspondence submitted under this Subcontract shall include the subcontract number and be forwarded prepaid.

**Section G: Contract Administration Data**

**G.1 Points of Contact**

Contractual:	Non-Contractual
Jill Richards Contracts Administrator 937-901-4427 jill.richards@parallaxresearch.org	Becky Mescher OFRN Program Coordinator 937-705-1047 Becky.mescher@parallaxresearch.org

**G.2 Invoices**

- (a) **Overview:** Subcontractor will prepare and submit invoices to Parallax, on a monthly basis for the month prior in accordance with information outlined herein. Each invoice shall be numbered sequentially, clearly showing Parallax’s Subcontract Number, billing period of costs incurred, cumulative costs to date and funded amount. Invoices shall be compatible with information reported on the Status Reports. Invoices must show amounts being billed for the current month and cumulatively and shall include the following certification which must be signed by an authorized certifying official:

*“I, the undersigned, hereby certify to the best of my knowledge and belief, that this invoice represents a true and accurate statement of all costs incurred for the billed and cumulative periods reflected herein and that the labor hours stated herein constitute the actual direct productive person hours incurred in performance of this order, and that the indirect rates used to calculate this invoice have been approved or submitted to an auditing agency and/or firm.”*

- (b) Invoices shall contain a breakout of the following items, as applicable:
  - (1) **Direct Labor:** Direct Labor costs must include the labor category (e.g., program manager, senior engineer, technician, etc.), the hourly rate, the labor cost per category, and the extended amount.
  - (2) **Other Direct Costs:** Other Direct Costs include Equipment, Materials, and Supplies. Receipts or other appropriate supporting documentation shall be made available for Parallax’s inspection and acceptance for all incurred ODCs as a part of invoice submission. The Subcontractor shall obtain approval from the Parallax Contracts Administrator prior to incurring any Other Direct Costs (ODCs) exceeding \$2,000. ODCs, if authorized, are to be billed at actual cost plus applicable burdens.
  - (3) **Travel:** Reimbursement for all authorized travel costs in performance of this Subcontract will be supported by travel receipts. Travel requires prior approval by the Parallax Contracts Administrator or Technical Lead at least one (1) week prior to the travel date. Subcontractor’s request for travel authorization shall include an estimate of travel costs, number of travelers, number of days, destination, and purpose of trip. Travel to international conferences, including registration, is NOT an authorized expense under this agreement. Travel to conferences specifically related to work performed under this requirement is not prohibited if such costs are allocable, allowable under the State of Ohio OBM Travel Rule, and reasonable.
  - (4) **Indirect Costs:** If the Subcontractor claims indirect costs on its invoice, such indirect costs shall be supported by its approved provisional indirect rates or a forward pricing rate agreement by a

cognizant audit agency. When the cognizant Administrative Contracting Officer (ACO) or auditor approves a change in the provisional indirect rates or forward pricing rate agreement, include a copy of the approval with the invoice submission.

- (5) If the Subcontractor does not have approved provisional indirect rates or a forward pricing rate agreement, such indirect costs for reimbursement are limited to 10% of direct costs.
- (6) **Subcontracts:** All claimed subcontractor costs must be supported by submitting the same detail as outlined herein.
- (c) **Invoice Template:** The Subcontractor shall use the Invoice Template provided as Section J Attachment J-5 when preparing and submitting invoices.
- (d) **No Activity:** Invoices shall contain all elements described in this section. If no activity occurred during the previous month, a negative or “no activity” may be requested for budgeting purposes.
- (e) Invoices must be **emailed** to:  
  
**APINVOICES@PARALLAXRESEARCH.ORG**
- (f) **Defective or Improper Invoice:** Failure to provide the invoice in the context described above, with the appropriate supporting documentation will result in Parallax determining the invoice to be defective or improper. Improper invoices will be rejected, and the payment terms will restart upon submission of a revised proper invoice.

### G.3 Payment Terms

Parallax will process payment to Subcontractor for each properly completed invoice at the end of each month. Payment terms shall be Net forty-five (45) days after receipt of a proper invoice. Supporting documentation shall be provided by Subcontractor upon request by Parallax. At any time before final payment under this Subcontract Agreement, Parallax may request audit of the invoices and supporting documentation.

### G.4 Closeout Documentation

Upon completion of the Subcontract, Subcontractor will complete the closeout documentation (Section J Attachment 3) and return to Parallax within 30 days of the contract end date and provide the final invoice marked as “FINAL INVOICE.”

### G.5 Relationship of the Parties

The parties to this Subcontract are independent contractors and are not agents of each other, joint ventures, or partners. Neither party is authorized or empowered to act on behalf of the other with regard to any contract, warranty, or representation as to any matter. With the exception of Parallax’s ability to remove, transfer, or replace any Subcontractor employee or employees at the request of the Agency or if Parallax finds doing so to be in its best interest, each party will maintain sole and exclusive control over its own personnel and operations.

## Section H: Special Contract Requirements

### H.1 Confidentiality

- (a) The parties shall not, at any time, directly or indirectly disclose to any third party or make any commercial or other use of any proprietary or confidential information, knowledge, data, process, device, machine, or composition of matter belonging to the other party, or any of its customers or sponsors, without prior written consent to such disclosure or use. Obligations of confidentiality under this Subcontract shall be in accordance with the Non-Disclosure Agreement (NDA) (See Section J Attachment 4) signed by the parties and, as established therein, shall survive termination of this Subcontract.

- (b) The parties further agree that confidential or proprietary information owned by either party (the "Information") shall remain the property of that party and, except to the extent required by the Terms and Conditions included as Attachment 4 applicable to the Program and this Subcontract. No transfer of the ownership of or license in the Information will be deemed to have taken place simply by virtue of the Information being used in the parties' work on the Project.
- (c) Subcontractor agrees to maintain as confidential, the terms of this Subcontract and all of its communications with Parallax related to the Project and this Subcontract.

## H.2 Compliance with Law

Subcontractor agrees to comply with all applicable Federal, state and local laws in the conduct of the work hereunder. This includes but is not limited to the laws and regulations surrounding the administration of Federal grants, including EDGAR regulations found at Title 34 Code of Federal Regulations, Parts 74-86 and 97-99, as applicable. Subcontractor acknowledges that its employees are not employees of Parallax with regard to the application of the Fair Labor Standards Act minimum wages and overtime payments, Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the provisions of the Internal Revenue Code and for state revenue and tax laws, state workers' compensation laws and state unemployment insurance laws. Subcontractor accepts full responsibility for payment of all taxes including without limitation, unemployment compensation insurance premiums, all income tax deductions, social security deductions, and all other taxes or payroll deductions required for all employees engaged by Subcontractor in the performance of the work authorized by this Subcontract.

## H.3 Indemnification

Each party agrees to indemnify and hold harmless the other party, its directors, officers, employees, agents, and invitees, and the Agency from and against all liability, demands, claims, losses, costs, damages, and expenses, including but not limited to attorney's fees, by reason or on account of property damage, death, and personal injury of whatsoever nature or kind arising out of, as a result of, or in connection with the party's performance of this Subcontract that is occasioned by the willful or reckless misconduct, negligent actions, or omissions of the party, its employees, partners, agents, representatives, or its subcontractors or suppliers at any tier.

## H.4 Termination, Default and Convenience

- (a) **For Cause or Default.** Parallax may, by written notice of default, terminate this Subcontract in whole or in part, if Subcontractor fails to perform the authorized services within the time specified in this Subcontract or any extensions thereto. Parallax's right to terminate for default pursuant to items listed below, may be exercised if Subcontractor does not cure such failure within ten (10) calendar days (or more if authorized in writing by Parallax) after receipt of written notice from Parallax specifying the failure:
  - (1) Failure to make progress, so as to endanger performance of this Subcontract.
  - (2) Failure to perform any other of its obligations under this Subcontract.
  - (3) Failure to conduct its operations in the normal course of business (including inability to meet its obligations as they mature); or becomes insolvent or makes a general assignment for the benefit of creditors; or if any proceedings are commenced by or against the Subcontractor under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, or liquidation law or statute; or if a trustee, receiver, liquidator, or conservator for Subcontractor is applied for or appointed.
  - (4) Failure to notify Parallax if it has a known conflict of interest.
  - (5) Failure to meet its cost sharing requirements.

- (b) Any such termination will be without liability to Parallax except for those services or deliverables that have been completed and accepted by Parallax, payment for which can be set off against damages incurred by Parallax due to Subcontractor's actions or inactions that form the basis of the cause for termination, including but not limited to, excess costs of re-procurement.
- (c) **For Convenience.** Parallax may terminate this Subcontract in whole or in part if it determines that a termination is in its best interests or if the State of Ohio exercises its termination-for-convenience rights under the Contract. Parallax may terminate this Subcontract by issuing Subcontractor written notice of the termination, specifying the extent of the termination and the effective date. In the event of termination, Parallax shall be liable only for payment of costs incurred for services rendered and accepted before the effective date of the termination.

### H.5 Stop Work

- (a) Parallax may, at any time, by written order, require the Subcontractor to stop all, or any part, of the work called for by this subcontract for a period of 90 days after the order is delivered, or for a further period as agreed to mutually by the parties. The order shall be specifically identified as a stop-work order issued under this clause. Upon receipt of the order, the Subcontractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of 90 days after a stop-work is delivered to the Subcontractor, or within any extension of that period to which the parties shall have agreed, the Parallax shall either:
- (1) Cancel the stop-work order; or
  - (2) Terminate the work covered by the order as provided in the Default, or the Termination for Convenience clause of this Subcontract.
- (b) If a stop-work order issued under this clause is canceled or the period of the order or any extension thereof expires, the Subcontractor shall resume work.
- (c) If a stop-work order is not canceled and the work covered by the order is terminated for the convenience by Parallax, reasonable costs resulting from the stop-work order may be considered in arriving at the termination settlement.

### H.6 Notices

Unless the parties agree otherwise, any notice given by either party hereunder to the other will only be effective if it is in writing, signed by an authorized representative, and delivered by hand or sent by certified mail, return receipt requested, with postage prepaid, addressed as follows:

**To Parallax:**

Parallax Advanced Research Corp.  
4035 Colonel Glenn Hwy.  
Beavercreek, OH 45431  
Attn: Jill Richards  
Ph: (937) 901-4427  
Email: jill.richards@parallaxresearch.org

**To Subcontractor:**

**[TBD]**

Attn:  
Ph:  
Email:

Any notice between the parties communicated orally must be confirmed in writing, signed by an authorized representative and delivered as set forth above. Either party may change its address or representative by notice given to the other party in the manner set forth above.

## H.7 Modifications

With exception to unilateral incremental funding obligations, no change, revision or modification to this Agreement will be valid unless reduced to writing and bilaterally executed by authorized officers of each party.

## H.8 Governing Law and Venue

The construction, validity, performance and effect of this Subcontract with regard to all purposes related to the Contract and the Agency shall be governed by Federal Procurement Law. For all other purposes, including but not limited to the construction, validity, performance, and effect of this Subcontract, it shall be governed by the applicable laws of the State of Ohio. Each party hereto consents to the exclusive jurisdiction and venue of the courts of Montgomery County, Ohio.

## H.9 Dispute Resolution

- (a) The parties agree to timely notify each other of any claim, dispute, or cause of action arising from or related to this Subcontract, and to negotiate in good faith to resolve any such dispute whenever possible. If any dispute arises under this Subcontract, the parties will hold a meeting attended by at least one Corporate Executive from each party. The meeting will be held within fourteen (14) days of either party requesting such a meeting. Such meeting shall be held telephonically if travel is impracticable for either party. The meeting will be an attempt to negotiate a good faith resolution to the claim or dispute. The Executives will have the power to negotiate on behalf of the parties and will be authorized to settle the dispute. Any statements or representations made in such a meeting will be for purposes of settlement only and will not be admissible as evidence in court. Any written settlement agreement executed by the parties shall be admissible in court.
- (b) After the initial meeting, the Corporate Executives may agree to a further meeting or meetings. If the matter has not been resolved within fourteen (14) days of the meeting deemed final by at least one Executive, the parties agree to submit the matter to mediation in Dayton, Ohio. The parties will choose a mutually agreeable mediator and will share the costs of the mediation equally.
- (c) If the parties are unable to resolve their dispute through negotiation or mediation, then either may institute an action against the other in a court of competent jurisdiction in Dayton, Ohio. Such action must be commenced within sixty (60) days after the completion of the mediation or any claim is irrevocably waived. Parallax and Subcontractor each waive any rights that either party may have to trial before a jury on any dispute arising from or related to this Subcontract.
- (d) Nothing in this Article shall preclude either party from filing an action in court at any time for injunctive relief to prevent injury involving the use or disclosure of the other party's intellectual property rights for which monetary damages would be inadequate.
- (e) Pending any decision, appeal or judgment referred to in this provision or the resolution or settlement of any Dispute, Subcontractor shall proceed diligently with the performance of the Subcontract and any task orders issued hereunder as directed by Parallax in writing.

## H.10 Limitation of Liability

To the maximum extent permitted by applicable law, in no event shall Parallax or Subcontractor be liable to the other for any special, incidental, consequential, or any other type of indirect damages arising out of or related to this Subcontract, or the breach of any terms thereof, under any theory of law or equity, even if that party has been advised of the possibility of such damages. This limitation precludes the recovery of loss of use, lost income, lost or anticipated business profits, business interruption, loss of business information, loss of goodwill, or lost revenue or business. In the event of a breach of this Subcontract, it is agreed that the remedy for Subcontractor shall be limited to recovery of its costs incurred in connection with its performance efforts under the Subcontract.

**H.11 Maintenance of Records/Audit**

- (a) Subcontractor shall maintain complete and accurate records in accordance with generally accepted accounting principles to substantiate Subcontractor's charges under this Subcontract. Such records may include, but not be limited to, job cards, phone bills, travel receipts and job summaries. Subcontractor shall retain such records for four (4) years from final payment of this Subcontract.
- (b) At any time prior to the final payment, Parallax may request a Government audit or to appoint an independent, mutually agreed to third party to audit information pertaining to Subcontractor's invoicing, including individual daily timecards, invoices for materials or other direct costs, expense reports, and other supporting documents. Previous payments shall be subject to reduction to the extent Subcontractor cannot substantiate costs that were billed and not properly payable under the terms of this Subcontract.

**H.12 Assignment/Subcontracting**

Neither party shall assign its rights, duties, or interest in this Subcontract without the written consent of the other.

Subcontractor agrees not to subcontract work without prior written consent from Parallax Contracts Manager, except for the purchase of standard commercial supplies and services required to complete the SOW, or with project team members included in the submitted proposal, which are listed as follows:

**[Project Team: TBD]**

**H.13 Insurance**

Subcontractor shall procure and maintain the following minimum insurance for the performance of this Subcontract:

- (a) Automobile Liability including Bodily Injury and Property Damage: \$1,000,000 Single Limits
- (b) General Liability including Products and Completed Operations: \$2,000,000 Per Occurrence; \$2,000,000 Aggregate
- (c) Worker's Compensation: Statutory limits per state, including Employer's Liability - \$1,000,000/\$1,000,000/\$1,000,000
- (d) Error & Omissions Liability including contractual liability: \$2,000,000 Per Occurrence – Maximum Deductible of \$25,000
- (e) Aircraft liability: \$1,000,000 if Project proposes to fly Unmanned Aerial Vehicles. Aircraft liability is not covered by general liability.

Subcontractor must provide Parallax with a certificate of insurance prior to starting work. Parallax is to be listed as an additional insured on a primary and non-contributory basis. Parallax reserves the right to request a copy of any of the above policies to verify that they meet these criteria. Subcontractor shall provide Parallax thirty (30) days advance written notice prior to the effective date of any cancellation or change in the term or coverage of any of Subcontractor's required insurance, provided however that such notice shall not relieve Subcontractor of its obligations to procure and maintain the required insurance. "Subcontractor" as used in this clause shall include Subcontractor's subcontractors at any tier.

**H.14 Export Controlled Data**

- (a) Definition. "Export-controlled items," as used in this clause, means items subject to the Export Administration Regulations (EAR) (15 CFR Parts 730-774) or the International Traffic in Arms Regulations (ITAR) (22 CFR Parts 120-130), and items controlled under the export control laws implemented by the Department of Energy and Nuclear Regulatory Commission. The term includes:



- (1) "Defense items," defined in the Arms Export Control Act, 22 U.S.C. 2778(j)(4)(A), as defense articles, defense services, and related technical data, and further defined in the ITAR, 22 CFR Part 120.
- (2) "Items," defined in the EAR as "commodities", "software", and "technology," terms that are also defined in the EAR, 15 CFR 772.1.
- (b) The Subcontractor shall comply with all applicable laws and regulations regarding export-controlled items, including, but not limited to, the requirement for certain manufacturers and exporters to register with the Department of State in accordance with the ITAR. The Subcontractor shall consult with the Department of State regarding any questions relating to compliance with the ITAR and shall consult with the Department of Commerce regarding any questions relating to compliance with the EAR, including, when necessary, obtaining commodity jurisdiction rulings to determine the proper export control classification of items. This contract is funded by the State of Ohio and not by the Department of Defense. The Subcontractor agrees to notify Parallax in writing if any goods, services, or information under this contract is or becomes subject to export control laws or regulations.
- (c) U.S. export control laws restrict not only physical exports of commodities, but also transfer of controlled technical data to foreign persons, whether in the United States or abroad. Under U.S. export control laws, a "U.S. Person" is defined as any U.S. citizen or any person who is a lawful Permanent Resident and a "Foreign Person" is any individual who is not a lawful Permanent Resident or U.S. Citizen. A temporary work or student visa does not provide an individual with U.S. Person status for export control purposes. As a general rule, all funded participants in the OFRN Program must be U.S. Persons unless the partner organizations—AFRL, NASIC, NAMRU-D or NASA-GRC—permit Foreign Persons to participate pursuant to their Export Control policies and procedures. It is the obligation of the Subcontractor to ensure compliance with the applicable partner organization's export control policies and regulations. If the Subcontractor intends to involve a Foreign Person in any capacity--regardless of whether located in the U.S. or abroad—the Subcontractor shall give notice to Parallax and seek specific authorization from the relevant partner organization prior to transfer of any technical data to the Foreign Person.
- (d) The Subcontractor represents that neither it nor any parent, subsidiary or affiliate is included on any of the restricted party lists maintained by the U.S. Government, including the Specially Designated Nationals List administered by the U.S. Treasury Department's Office of Foreign Asset Control ("OFAC"), Denied Parties List, Unverified List or Entity List maintained by the U.S. Commerce Department's Bureau of Industry and Security ("BIS"), or the List of Statutorily Debarred Parties maintained by the U.S. State Department's Directorate of Defense Trade Controls (collectively "Restricted Party Lists"). Subcontractor shall immediately notify Parallax if it or any parent, subsidiary or affiliate becomes listed on any Restricted Party List or if Subcontractor's export privileges are otherwise denied, suspended or revoked in whole or part by any U.S. government entity or agency. Subcontractor shall also immediately notify Parallax upon learning that any lower tier subcontractor with which it engages has become listed on the Restricted Parties List.
- (e) The Subcontractor's responsibility to comply with all applicable laws and regulations regarding export-controlled items exists independent of, and is not established or limited by, the information provided by this clause. Nothing in this contract adds, changes, supersedes, or waives any of the requirements of applicable Federal laws and regulations, including but not limited to—
- (1) The Export Control Reform Act of 2018 (50 U.S.C. 4801, et seq.);
  - (2) The Arms Export Control Act (22 U.S.C.2715, et seq);
  - (3) The International Emergency Economic Powers Act (50 U.S.C. 1701, et seq.);
  - (4) The Atomic Energy Act of 1954 (42 U.S.C. 2011, et. seq.)
  - (5) The Export Administration Regulations (15 CFR Parts 730-774);
  - (6) The International Traffic in Arms Regulations (22 CFR Parts 120-130);

- (7) The Export and Import of Nuclear Equipment and Materials Regulations (10 CFR Part 110); and
  - (8) The Foreign Asset Control Regulations (31 CFR Part 500).
- (f) The Subcontractor shall include the substance of this clause, including this paragraph (e), in all subcontracts.

**For NASA-GRC sponsored research, funded participants must comply with the NASA-GRC export control and foreign national collaboration summarized below.**

- (a) NASA-GRC Rules on Transferring Export Controlled information:
- (1) The sharing of technical data under the International Traffic in Arms Regulations (ITAR) or the sharing of technology under the Export Administration Regulations (EAR) with foreign entities is an export.
  - (2) NASA-GRC will transfer export-controlled information to a foreign entity provided NASA-GRC has a legal obligation to do so (Ex: international agreement, contract, MOU, etc.).
  - (3) Approval by the cognizant NASA-GRC Center Export Administrator (CEA) is required prior to exporting technical data or technology to a foreign entity.
  - (4) If there is a Space Act Agreement, a corresponding export license, or license exemption or exception in-place allowing for the sharing of export-controlled technical data/technology, the CEA will verify that the export request meets the exact parameters in those documents.
  - (5) Upon the CEA's approval, the technical data or technology can be exported per the terms and duration of the authorization.
- (b) NASA-GRC General Rules on Transferring Publicly Available Information
- (1) NASA-GRC can work with a foreign national employed by the external partner on a contract, grant, or space act agreement without restriction provided that the technical data/information that is exchanged is deemed to be publicly available or fundamental research and provided that the foreign national is not from a designated country.
  - (2) NASA-GRC refrains from working with foreign nationals from designated countries even if the technical data or technology is publicly available or deemed to be fundamental research.
  - (3) A foreign national who is a Lawful Permanent Resident is deemed to be a U.S. Person and NASA-GRC can work with that individual relative to technical data and technologies that are export controlled. The LPR can have access to export controlled technical data and technologies on a need to know basis.

### **H.15 Non-Solicitation**

Except as may be otherwise agreed in writing, during the term of this Subcontract, neither party shall offer employment to or employ any person employed then or within the preceding 12 months by the other if such person was involved directly in the activities and work covered by this Subcontract. This provision shall not preclude employees of either party from independently pursuing employment opportunities with the other party, whether on their own initiative, or in response to general solicitations, including but not limited to job postings published in newspaper, trade publications, or websites.

**H.16 Reserved****H.17 Survivability**

If this Subcontract expires, is completed or is terminated, Subcontractor shall not be relieved of those obligations contained in the following clauses:

Certification and Warranty	Confidentiality
Termination of Contract Notices	Limitation of Liability
Maintenance of Records	Export Control

**H.18 Severability**

If any of the clauses or provisions of this Subcontract are found or deemed by a court of competent jurisdiction to be invalid or unenforceable, they shall be considered severable from the remainder of this Subcontract and shall not cause the remainder to be invalid or unenforceable; however, such provision shall be deemed to be restated to reflect as nearly as possible the original intentions of the parties in accordance with applicable law.

**H.19 Non-Waiver of Rights**

None of the provisions of this Subcontract shall be considered waived by either party unless such waiver is given in writing to the other party. The failure of any party to insist upon strict performance of any of the Subcontract terms and conditions, or failure to delay or exercise any rights provided herein or by law, shall not be deemed a waiver of any rights of any party.

**H.20 Public Release of Information**

- (a) Neither party shall publicly release information about this Subcontract without the prior written approval of the other party before the date of release. Requests for approval shall be sent to the addresses found in Section G, thirty (30) days prior to the intended release date.
- (b) The Subcontractor further agrees that any release of information relating to this Subcontract shall include a statement to the effect that the project or effort depicted was or is sponsored by OFRN.
- (c) For the purpose of this clause, "information" includes but is not limited to material presented in news releases, articles, manuscripts, brochures, advertisements, still and motion pictures, speeches, presentations, meetings, conferences, symposia, etc.
- (d) The Subcontractor agrees to include this provision in any lower-tier subcontracts it awards as a result of this Subcontract.

**H.21 Contract Direction**

- (a) Only the Parallax Contracts Manager has authority to make changes in or amendments to this Subcontract. Changes and amendments must be in writing.
- (b) The Parallax Contracts Manager is responsible for all matters relating to the terms and conditions under this Subcontract. No other Parallax employee is authorized to make any changes related to this Subcontract. Any change to this Subcontract, shall only be binding upon the parties when such change is specifically authorized in writing and duly executed by the authorized representatives of Parallax and Subcontractor and in accordance with Section H.7 (Modifications). All correspondence and communications between Parallax and Subcontractor related to this Subcontract shall be directed to the Parallax Contracts Manager.
- (c) Except as otherwise provided herein, all notices to be furnished by Subcontractor shall be sent to the Parallax Contracts Manager.

**H.22 Entire Subcontract**

This Subcontract constitutes the entire subcontract between the parties concerning the subject matter and supersedes any prior understanding or written or oral subcontract relative to this matter.

**H.23 Headings**

Titles and headings of the provisions to this Subcontract are for the convenience of reference, do not form a part of this Subcontract, and shall not affect its interpretation.

**H.24 Covenants**

Subcontractor shall not compete directly or indirectly as a teammate, or otherwise participate in proposal activities or capture activities for contract renewals to Parallax's Primary Contract, options for contract renewals to Parallax's Primary Contract, or natural follow-on business to Parallax's Primary Contract during the term of this Subcontract, without the prior written approval of Parallax. Subcontractor agrees that this restriction is reasonable. Nothing in this Subcontract shall preclude Subcontractor from offering or selling its standard commercial products or services to any third party.

**H.25 Property**

Title to any budgeted and approved equipment purchased by the Subcontractor shall vest with the Subcontractor subject to any subsequent disposition instructions provided to Parallax by the State of Ohio. Unbudgeted equipment and anything more than \$2,000 requires prior written approval by the Parallax Contracts Manager.

**H.26 Standard of Work**

In performing services under this agreement, the Subcontractor is an independent contractor, and nothing herein is to be construed as establishing an employer-employee relationship. The Subcontractor agrees that all work will be performed in accordance with the highest professional standards. The Subcontractor shall also comply with all Federal and state laws and prime sponsor requirements governing conduct of research.

**H.27 Use of Name**

Neither party shall use the other party's name, trademarks, or other logos in any publicity, advertising, or news release without the prior written approval of an authorized representative of that party. The parties agree that each party may use factual information regarding the existence and purpose of the relationship that is the subject of this Subcontract for legitimate business purposes, to satisfy any reporting and funding obligations, or as required by applicable law or regulation without written permission from the other party. In any such statement, the relationship of the parties shall be accurately and appropriately described.

**H.28 Budget Modifications**

The Applicant's Budget Proposal (See Section J Attachment J-1) for this Subcontract is the Subcontractors Cost Proposal reviewed and approved during the award process. The Applicant Budget Proposal includes the sum of all the costs associated with completing this Subcontract. The Applicant shall report deviations from the budget and request prior approval for budget revisions which include, but aren't limited to the following: change the scope of the project, change a key person, transfer budgeted cost elements, new lower tier subcontracts, or change in cost share amounts.

The Applicant shall describe the basis of budget revision in narrative form for each of the proposed cost elements (e.g. Direct Labor, Other Direct Costs (Materials, Equipment, Supplies), Travel, and Indirect Costs. Substantive supporting documentation shall be provided for each of the cost elements to support the proposed revision. Finally, The Subcontractor shall complete the Excel Cost Work Sheet (See Section J Attachment J- TBD), ensuring all formulas remain intact. Requests for budget revisions shall be made at

least 30 calendar days prior to the need for implementation. Failure to provide this information may result in the budget revision being rejected by the Parallax Contracts Administrator.

### **Section I. Flowdown Terms and Conditions**

The following clauses are provided as flowdown requirements from Parallax's prime contract. These flowdown requirements are hereby incorporated with full force and effect.

### **Representations and Certifications**

#### **I.1 Lobbying**

By signing this Subcontract, the Subcontractor Authorized Official certifies, to the best of his/her knowledge and belief, that no Federal appropriated funds have been paid or will be paid, by or on behalf of the Subcontractor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement in accordance with 2 CFR 200.450. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or intending to influence an officer or employee of any agency a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Subcontractor shall complete and submit Standard Form -LLL, "Disclosure Form to Report Lobbying," to the PTE. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

#### **I.2 Debarment**

By signing this Subcontract, the Subcontractor Authorized Official certifies, to the best of his/her knowledge and belief that neither the Subcontractor nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any Federal department or agency, in accordance with 2 CFR 200.213 and 2 CFR 180.

#### **I.3 Clean Air Act**

By signature to this agreement, SUBRECIPIENT certifies that is in compliance with all applicable standards, orders or regulations issued pursuant to the Clean Air Act of 1970 and the Federal Water Pollution Control Act as amended. Violations shall be reported to the Federal sponsoring agency and the regional office of the U.S. Environmental Protection Agency.

#### **I.4 Drug and Alcohol-Free Workplace**

By signature to this agreement, Subcontractor certifies that it will comply with the Drug Free Work Place Act of 1988 and its implementing regulations as amended.

#### **I.5 Certification Regarding misconduct in Science**

By signature to this agreement, SUB RECIPIENT certifies that it has established administrative policies as required by the Final Rule (42 CFR Part 93, Subpart A). and that it will comply with those policies and the requirements of the Final Rule regarding Procedures for Dealing with and Reporting Possible Misconduct in Science.

#### **I.6 Conflict of Interest**

No employees of Subcontractor or member of the governing body of any locality or other public official or employee of any such locality in which, or relating to which, the work under this Subcontract is being

carried out, and who exercises any functions or responsibilities in connection with the review or approval of this Subcontract or carrying out of any such work, shall, prior to the completion of said work, voluntarily acquire any personal interest, direct or indirect, which is incompatible or in conflict with the discharge and fulfillment of his or her functions and responsibilities with respect to the carrying out of said work.

Any such person who acquires an incompatible or conflicting personal interest, on or after the effective date of this Subcontract, or who involuntarily acquires any such incompatible or conflicting personal interest, shall immediately disclose his or her interest to Parallax in writing. Thereafter, he or she shall not participate in any action affecting the work under this Subcontract, unless Parallax determines in its sole discretion that, in the light of the personal interest disclosed, his or her participation in any such action would not be contrary to the public interest.

Subcontractor, by signature of this document, certifies: (1) it has reviewed and understands the Ohio ethics and conflict of interest laws, and (2) will take no action inconsistent with those laws.

In addition, Subcontractor certifies by signature to this Subcontract that it has a Federally compliant conflict of interest policy.

### **I.7 Research Compliance**

The Subcontractor certifies by signature to this Agreement that the research project will comply with all Research Compliance and obtain all necessary approvals for Human Subjects, Vertebrate Animals, Recombinant DNA and any other areas that require protocol review.

### **I.8 Findings for Recovery**

Subcontractor warrants that they are not subject to an "unresolved" finding for recovery under Ohio Revised Code 9.24. If this warranty is found to be false, this Subcontract is void *ab initio* and Subcontractor shall immediately repay to Parallax any funds paid under this Subcontract.

### **I.9 Audit and Access to Records**

Subcontractor certifies that by signing this Subcontract that it complies with the Uniform Guidance, will provide notice of the completion of required audits and any adverse findings which impact this Subcontract as required by parts 200.501-200.521, and will provide access to records as required by parts 200.336, 200.337, and 200.201 as applicable.

### **Terms and Conditions**

#### **I.10 Whistleblower Rights Pilot Program for Enhancement of Contractor Employee Whistleblower Protections (Sep 2013)**

- (a) This Subcontract and employees working on/under this Subcontract will be subject to the whistleblower rights and remedies in the Pilot Program of Contractor Employee Whistleblower Protections established at 41 U.S.C. 4712 by Section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L 112-239) and FAR 3.908
- (b) Parallax, Subcontractor and/or its lower-tier subcontractor is required to inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712.

#### **I.11 Equal Opportunity**

This Agreement is subject to the conditions of Executive Order No. 11246 entitled, "Equal Employment Opportunity," dated September 24, 1965, as amended by Executive Order 11375, and as supplemented

in Department of Labor regulations (41 CFR Part 60). Any Certificate of Non-Segregated Facilities is deemed given hereunder by the signature to this Agreement.

### **I.12 Data Rights, Patents & Copyrights**

Any Subcontract awarded hereby incorporates the data rights requirements from the Ohio State University-Parallax Subaward Agreement. Subcontractor shall maintain ownership of all intellectual property developed hereunder provided that it grants use rights to the government consistent with applicable state and federal law and regulation. The Subcontractor grants to Parallax the right to use data created in the performance of the Subcontract solely for the purpose of and only to the extent required to meet Parallax's obligations to federal partners and the State of Ohio. Subcontractor/Prime Applicant shall obtain equivalent rights from its subcontractors.

[Insert data assertion table, if applicable]

### **I.13 Nondiscrimination of Employment**

Subcontractor agrees that Subcontractor, any lower-tier subcontractors, and any person acting on behalf of Subcontractor or lower-tier subcontractor, shall not discriminate, by reason of race, color, religion, sex, age, national origin, or disability against any citizen of this state in the employment of any person qualified and available to perform the work under this Subcontract.

Subcontractor further agrees that Subcontractor, any lower-tier subcontractors, and any person acting on behalf of Subcontractor or a lower-tier subcontractor shall not, in any manner, discriminate against, intimidate, or retaliate against any employee hired for the performance of work under this Subcontract on account of race, color, religion, sex, age, national origin, or disability.

### **Section J: Subcontract List of Attachments**

1. Applicant Budget Proposal
2. Closeout Documents
3. Non-Disclosure Agreement
4. Invoice Template
5. Technology Control Plan

**Section J. Attachment 1: Applicant Budget Proposal**

**[TBD]**



**Section J. Attachment 3: Closeout Documents**

Within thirty calendar days after the end of the period of performance for the services to be procured herein, as described in the attached Statement of Work and the satisfactory performance of which shall be solely determined by Parallax, Parallax will issue to the Subcontractor a Subcontract Closeout Package. The Package will include, as applicable, Subcontractor Release of Claims; Subcontractor's Assignment of Refunds, Rebates, Credits, and Other Amounts; Subcontract Patents Report; and any other documentation or request for information considered necessary by Parallax to closeout this Subcontract Agreement.

Subcontractor agrees to submit all information and documentation, including a FINAL invoice bearing the statement, "*This FINAL invoice was prepared using final audited rates*" as required by the Subcontract Closeout Package within thirty-calendar days of the date of the Package. The parties further agree if the information and documentation submitted by the Subcontractor is found by Parallax to be acceptable with or without negotiations (the necessity for which shall be solely determined by Parallax), Subcontractor's closeout submission shall be the final agreement between the parties with respect thereto.

In the event the Subcontractor fails to submit the required closeout information and documentation in a timely manner, such failure shall constitute Subcontractor's express agreement that the amounts paid to date by Parallax pursuant to this Agreement, as determined by Parallax's records, constitute the full, complete and final extent of Parallax's financial obligation to the Subcontractor, that the Subcontractor does forever fully and finally remise, release, and discharge Parallax, its officers, agents and employees, of and from any and all liabilities, obligations, claims, and demands whatsoever arising under or relating to this Subcontract Agreement, and that the Subcontractor expressly authorizes Parallax to rely on the foregoing representations and release in connection with Parallax's closeout of or other actions taken with respect to Parallax's contract with the Government

Depending upon the nature of work involvement with topics such as patents, data rights, classified efforts, government property, and dollar value of work, the subcontractor may be requested to participate in completing a Subcontract Closeout Checklist to address requirements for Closeout of contract files. This request will be prepared by Parallax as close as practical to the Subcontract End Date.

The final invoice for work under this subcontract agreement shall be marked final and shall be received by Parallax no later than thirty (30) days following the technical end date of the contract.

**The following are samples of the closeout documents.**

# Parallax Advanced Research Corporation

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## SUBCONTRACT CLOSEOUT CHECKLIST

Subcontractor Name: \_\_\_\_\_

Subcontract Number: \_\_\_\_\_

- Final Delivery

All deliveries  have  have not been completed.

- Property

Property  was  was not acquired.

Property  was returned to the government;  was transferred to another contract.

(Attach acknowledgment transfer letter or any other type of UID documents.)

- Patents/Inventions

An invention or discovery  was  was not conceived.

All known inventions or discoveries  have  have not been disclosed.

- Invoices

The final invoice(s)  has  has not been submitted. (Reference invoice number.)

\_\_\_\_\_  
Contractor

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_

# Parallax Advanced Research Corporation

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## SUBCONTRACTOR’S RELEASE

Pursuit to the term of Subcontract number [redacted] and in consideration of the sum [redacted] dollars and [redacted] cents (Dollar value numeric \$ [redacted]) which has been or is to be paid under the said Subcontract to [redacted] (hereinafter called the Subcontractor), or to its assignees, if any, the Subcontractor, upon payment of the said sum by Parallax Advanced Research Corporation (hereinafter called Parallax) does remise, release and discharge Parallax, it officers, agents, and employees, of and from all liabilities, obligations, claims and demands whatsoever under or arising from the said Subcontract, except:

1. Specified claims in stated amounts or in estimated amounts where the amounts are not susceptible or exact statement by the subcontractor, as follows:
2. Claims, together with reasonable expenses incidental thereto, based upon the liabilities of the Subcontractor to third parties arising out of the performance of the said Subcontract, which are not known to the Subcontractor on the date of the execution of this release and of which the Subcontractor gives notice in writing to the Parallax Contracts Administrator within the period specified in the said Subcontract.
3. Claims for reimbursement of costs (other than expenses of the Subcontractor by reason of its indemnification of Parallax against patent liability), including reasonable expenses incidental thereto, incurred by the Subcontractor under the provisions of the said Subcontract relating to patents.

The Subcontractor agrees, in connection with patent matters and with claims which are not released as set forth above, that it will comply with all of the provisions of the said Subcontract, including with limitation those provisions relating to notification to the Parallax Contracts Administrator and relating to the defense or persecution of litigation.

IN WITNESS WHEREOF, this assignment has been executed this [redacted] day of [redacted], 20XX.

\_\_\_\_\_  
Contractor

\_\_\_\_\_  
Signature:

\_\_\_\_\_  
Title:

\_\_\_\_\_

**Section J. Attachment 4: Non-Disclosure Agreement****PARALLAX ADVANCED RESEARCH CORPORATION  
NON-DISCLOSURE AGREEMENT**

This AGREEMENT, made effective DATE, is entered into by and between PARALLAX ADVANCED RESEARCH CORPORATION (“Parallax”), an Ohio corporation having a place of business at 4035 Colonel Glenn Highway, Suite 200, Beavercreek, OH 45431, and PARTY (include legal name and address) (each referred to herein as “Party” or collectively “Parties”).

It is understood under the terms of this Agreement that Parallax shall be:  a disclosing Party;  a receiving Party; or  both and PARTY shall be:  a disclosing Party;  a receiving Party; or  both.

WHEREAS, the disclosing Party represents that it has developed and possesses, or may in the future develop and possess, certain non-public technical, business, marketing, financial or other material information; and

WHEREAS, such information is of value to the disclosing Party and such value would be adversely affected if such information became available to the public or known to its competitors; and

WHEREAS, Parallax and PARTY are interested in holding mutual discussions related to \_\_\_\_\_ (the “Purpose”) and other business opportunities that may be of interest to the Parties, and in connection therewith the Parties may exchange Confidential Information as that term is hereinafter defined; and

WHEREAS, in the course of discussions and in connection with any current or future contractual or business relationship between the Parties, Parallax and PARTY may have access to non-public information owned by the other Party; and

NOW, THEREFORE, in consideration of these premises, and the mutual promises and covenants contained herein, the parties hereto agree as follows:

1. Confidential Information. “Confidential Information” as used herein, shall include any and all information relating to any products or services, including without limitation, samples, plans, formulae, methods, know-how, software and hardware techniques, and all record bearing media containing or disclosing such information and techniques, material, specifications, sketches, data, drawings, diagrams, descriptions, specifications, certifications, schematics, designs, processes, test results, compilations, technologies, intellectual property, trade secrets, know-how, vendor lists, financial or marketing data, business operations, plans, analyses or projections, and any other documents, ideas, concepts or knowledge, whether oral, written or stored in electronic or other media, tangible or intangible, or obtained or obtainable by examination, testing, visual inspection or analysis of any equipment, processes or facilities, that a Party to this Agreement receives (the “Receiving Party”) from the other Party (the “Disclosing Party”) during the course of this Agreement.
2. Non-Confidential Information. “Confidential Information” shall not include any such knowledge which:
  - a) Is or later becomes generally known to or available to the public without breach of this Agreement by the Receiving Party or the breach of any obligation of confidentiality by any person; or
  - b) That is or becomes available to the Receiving Party from a third party having a legal right to disclose such information and who is not subject to a confidentiality obligation to the Disclosing Party with respect thereto; or
  - c) The Receiving Party can show was in its possession or known to it as demonstrated by tangible evidence prior to receipt from the Disclosing Party; or
  - d) Is disclosed in accordance with the written approval of the Disclosing Party; or
  - e) Is independently developed by employees of the Receiving Party without the use of Disclosing Party’s Confidential Information, as demonstrated by tangible evidence.

3. Legal Duty to Disclose. The Receiving Party may disclose Confidential Information to the extent required by law, regulation, national securities exchange or association rule, or court order; provided that the Receiving Party shall: (1) notify the Disclosing Party immediately upon receipt of any pleading, discovery request, interrogatory, motion, investigative demand, subpoena, or other authorized written demand calling for the disclosure of the Disclosing Party's Confidential Information; and (b) and, at the Disclosing Party's request, provide reasonable assistance in opposing such action within the time allotted by the governing rules.
4. Safeguarding Information. The Parties agree, with respect to any Confidential Information as to which it is a Receiving Party:
  - 4.1 To protect and keep such Confidential Information from disclosure with the same degree of precautions and safeguards it uses to protect and keep its own trade secrets and confidential and proprietary information of like import, but in any case with no less than reasonable care;
  - 4.2 Not to disclose or reveal such Confidential Information to any person other than representatives or advisors employed by it who have a need to know such Confidential Information and a contractual duty to maintain information that they receive in the course and scope of their employment in confidence;
  - 4.3 Not to use, or permit any person employed by it to use, such Confidential Information for any purpose other than as specified in this Agreement, the Parties recognizing that any other use of the Confidential Information is strictly forbidden;
  - 4.4 Without limitation to the foregoing, the Parties shall not attempt to analyze, decompile, disassemble, decode, redesign, determine the content or structure of or otherwise reverse engineer any Confidential Information, which restriction shall survive termination of this Agreement;
  - 4.5 To make the conditions of this Agreement known to any person to whom it has the right to disclose and discloses such Confidential Information and obtain from such person a commitment to be bound hereby; and
  - 4.6 The Receiving Party shall notify the Disclosing Party in writing immediately upon discovery of any unauthorized use or disclosure of Confidential Information and shall reasonably cooperate with the Disclosing Party to regain possession of the Confidential Information and prevent any further unauthorized use or disclosure.
5. Marking of Derivative Confidential Information. The Receiving Party shall mark all notes, translations, summaries, and other documents it may prepare that incorporate all or any portion of the Confidential Information of the Disclosing Party with a restrictive legend clearly identifying such documents as containing Confidential Information of the Disclosing Party.
6. Reproduction. Confidential Information shall not be copied or reproduced without the express written permission of the Disclosing Party, except for such copies as may reasonably be required for internal use commensurate with the purpose contemplated by this Agreement. Nevertheless, markings consistent with the markings contained on the Confidential Information shall be affixed to all copies, including partial copies. Dissemination for internal use shall be restricted to authorized employees having established need-to-know. All copies authorized for internal use shall clearly display the Disclosing Party's confidential legend.
7. Designation & Protection. In order for Confidential Information disclosed by one Party to the other to be protected in accordance with this Agreement, it shall (a) be clearly and conspicuously marked with an appropriate legend on each page indicating the confidential nature of the information, which may consist of a company confidential and/or proprietary legend, a limited or restricted rights notice specified by the FAR or an agency FAR supplement, or any other marking calculated to provide the possessing party with reasonable notice of its confidential or proprietary nature; and (b) delivered to the designated authorized representative identified herein.

If first disclosed in an oral or other intangible manner, such orally disclosed information shall be protected by the Receiving Party in a manner and to the same degree as if disclosed in writing under the terms of this Agreement provided that the Disclosing Party: (a) contemporaneously identifies such

disclosure as being in confidence; (b) reduces such disclosure to written form; (c) marks such writing as confidential or proprietary; and (d) delivers such marked document to the Receiving Party within thirty (30) days after the date of first disclosure.

8. Inadvertent Disclosure. The Receiving Party shall not be considered to be in breach of this Agreement or be held liable in damages for inadvertent disclosure of Confidential Information received hereunder as long as it has (i) used at least the same degree of care in safeguarding the information as it uses for its own Confidential Information of like import, provided such degree of care is reasonably calculated to prevent inadvertent disclosure or unauthorized use, and (ii) limited access to the Confidential Information to those of its employees who have a need to know; and provided that the Receiving Party shall, upon discovery of any inadvertent disclosure or unauthorized use of Confidential Information by its organization: (i) diligently attempts to correct the effects thereof; (ii) promptly uses reasonable efforts to prevent any further inadvertent disclosure or unauthorized use; and (iii) promptly notifies the Disclosing Party.
9. Export Control Compliance. The Receiving Party represents and warrants that no technical data furnished to it by the Disclosing Party shall be disclosed or exported in violation of the International Traffic in Arms Regulation and the Export Administration Regulations. The Receiving Party further represents and warrants that technical data furnished to it by the Disclosing Party shall only be exported in compliance with the International Traffic in Arms Regulation and the Export Administration Regulations, including the requirement for obtaining an export license, if applicable. Notwithstanding any other provision of this Agreement, the Receiving Party shall indemnify and hold harmless the Disclosing Party from all claims, demands, damages, costs, fines, penalties, attorney's fees, and all other expenses arising from the Receiving Party's failure to comply with this clause or U.S. Government export laws and regulations.

Technical data disclosed hereunder may be subject to U.S. export control laws and regulations. Accordingly, the Receiving Party shall not transfer technical data received under this Agreement to any foreign person, country, foreign subsidiary or parent corporation, without specific written authorization from the Disclosing Party and pursuant to an appropriate U.S. Government agency license. Further, the Receiving Party does assure the Disclosing Party it will not disclose technical data received hereunder to any employee, consultant or subcontractor employee not holding United States citizenship or granted admission or permanent residence in the United States under the Immigration and Nationality Act, as amended (8 USC 1101 et seq.).

10. Equitable Remedies for Unauthorized Disclosure. The Parties to this Agreement acknowledge that any breach of the obligations contained herein, including without limitation the actual or threatened use or disclosure of Confidential Information, would give rise to irreparable injury, such that neither monetary damages nor any other remedy available at law would give adequate protection against, or appropriate compensation for, such injury. The Parties, therefore, agree that in addition to monetary damages for breach, either Party may seek an injunction or other equitable remedy and that no bond or other security shall be required to obtain such remedies. However, in no event shall either Party be liable hereunder or otherwise for incidental, special, consequential, indirect, punitive, or multiple damages, interest, or attorney's fees.
11. License and Title. The Confidential Information shall be and remain at all times the sole and exclusive property of the Disclosing Party. Nothing in this Agreement shall be construed to create or grant any license or other rights in, to, or under the Confidential Information in favor of the Receiving Party by, through or under any copyright, invention, patent, trade secret or other intellectual property right owned or controlled by the Disclosing Party.
12. Term and Period of Nondisclosure. Unless terminated earlier by thirty (30) days written notice by either Party to the other, this Agreement will remain in effect for the duration of the Subcontract (the "Term"). The nondisclosure and non-use obligations of the receiving Party set forth in this Agreement shall survive for a period of three (3) years after expiration of the Term or earlier termination of this Agreement by either Party as set forth above.

13. Destruction or Return of Records. Upon the written request of the Disclosing Party or upon the completion of the Term of this Agreement, whichever is sooner, the Receiving Party shall (i) cease use of Confidential Information received from the Disclosing Party, (ii) destroy all such Confidential Information, including all copies thereof, and (iii) furnish the Disclosing Party with written certification of destruction. Alternatively, upon written request of the Disclosing Party, the Receiving Party shall return all Confidential Information, including any and all copies thereof, to the Disclosing Party. The Receiving Party shall also return or destroy all other documents containing any portion of the Disclosing Party's Confidential Information, as well as all notes, summaries, translations, abstracts, and synopses thereof. Within reasonable efforts, the Receiving Party shall also erase or destroy any such confidential data stored by the Receiving Party in a computer memory, or data storage apparatus, or system. The return or destruction of Confidential Information pursuant to this paragraph shall not act to relieve the Receiving Party of its obligations regarding disclosure or use set forth herein.
14. Disclosure to U.S. Government. Confidential Information may be disclosed to the U.S. Government by the Receiving Party only if: (i) the specified Purpose requires the disclosure; (ii) the Disclosing Party consents to the disclosure; and (iii) the Receiving Party identifies the Confidential Information at the time of disclosure to the Government as the property of the Disclosing Party and marks such Confidential Information strictly in accordance with the applicable requirements of the FAR or any pertinent agency FAR supplement.
15. Classified Information. To the extent that the obligations of the parties hereunder require or involve access to classified information, such information shall be handled, used, protected and otherwise treated by the Receiving Party in accordance with the National Industrial Security Program Operating Manual (NISPOM) and/or the security laws of any nation or group of nations, as applicable.
16. Warranty. Each Party warrants that it has the right to disclose its Confidential Information for the purposes of this Agreement. This Agreement does not grant any warranty, guarantee, or make any representation, either expressed or implied, as to any matter, including without limitation, the patentability of the Confidential Information or any part thereof, the content, condition, adequacy, sufficiency, accuracy, or freedom from defect of any kind, or to the non-infringement of any intellectual property right owned or controlled by any third party, and all warranties and conditions, expressed or implied, statutory or otherwise, are hereby disclaimed. Nor shall either Party incur any responsibility or obligation whatsoever by reason of such Confidential Information, except as provided in this Agreement.
17. Business Arrangement and Costs. Each of the Parties hereto acknowledges that this Agreement shall not be construed as a commitment by either Party to enter into any transaction involving the Confidential Information. Each Party shall bear all its respective costs and expenses incurred in connection with this Agreement. This Agreement is solely for the purpose of protecting Confidential Information, and shall not constitute, create, give effect to, or otherwise imply a joint venture enterprise, pooling arrangement, partnership or other similar contractual or business arrangement of any kind. Each Party shall act as an independent contractor and not as an agent of the other Party for any purpose whatsoever, and neither shall have any authority to bind the other, except as specifically set forth herein.
18. Designated Representatives. All Confidential Information shall be furnished only to the following individual employee(s) designated by each Party who is (are) responsible for further disseminating the Confidential Information to other employees of that Party who have a need to know:
- 19.

<p><b><u>Parallax Advanced Research Corporation</u></b>                  Address: 4035 Colonel Glenn Hwy                  Beaver Creek, OH 45431                  Name:                  Phone: 937-705-                  Email:</p>	<p><b><u>Party</u></b>                  Address:                  Name:                  Phone:                  Email:</p>
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All contractual notices furnished hereunder shall be forwarded to the designated contractual representative of the parties, who are listed below.

<p><b><u>Parallax Advanced Research Corporation</u></b>  Address: 4035 Colonel Glenn Hwy  Beavercreek, OH 45431  Name:  Phone: 937-705-  Email:</p>	<p><b><u>Party</u></b>  Address:  Name:  Phone:  Email:</p>
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Each Party may change its designation by written notice to the other. However, all properly marked Confidential Information exchanged hereunder shall be afforded the protection of this Agreement even if not furnished to the points of contact listed above.

20. **Independent Development and Marketing.** It is understood that the parties to this Agreement may have performed substantial, independent development relating to the subject matter in both products and technology. This Agreement shall not limit either Party's development or marketing of products or systems involving technology or ideas of the same or similar nature to that disclosed, nor does this Agreement prevent either Party from undertaking the same or similar efforts or discussions with third parties, provided that the obligations hereunder are respected and not violated.
21. **Amendment or Modification.** No amendment or modification of this Agreement shall be valid or binding on the Parties unless made in writing and signed on behalf of each of the Parties by their respective, duly authorized representatives.
22. **Jurisdiction.** This Agreement is entered into and shall be construed and enforced in accordance with the applicable laws of the State of Ohio, excluding conflict of law principles or any other provision that would direct the application of the laws of a different jurisdiction. The Parties consent to the exclusive jurisdiction of the courts for Dayton, Ohio to resolve any disputes under or enforcement of this Agreement, including without limitation application for injunctive relief. The Parties waive any claims that venue in such courts is inconvenient.
23. **Severability.** If any provision of this Agreement is found to be invalid or unenforceable in whole or in part, the Parties agree that the remaining provisions of this Agreement shall remain valid and enforceable to the maximum extent allowable by law. However, for any provisions that are deemed unenforceable, both Parties shall negotiate new enforceable provisions.
24. **Assignment.** This Agreement is not assignable or transferable without the prior written consent of the other Party which shall not be unreasonably withheld. However, this provision shall not apply to a legally recognized successor in interest to all or substantially all of the Party's assets.
25. **NonWaiver.** Failure by either Party to enforce any provision of this Agreement or applicable law shall not constitute a waiver of the requirements of such provisions or law, or a waiver of the right of a Party thereafter to enforce such provision or law.
26. **Entire Agreement and Modifications.** This Agreement constitutes the sole existing agreement between the Parties regarding the subject matter hereof, superseding all prior or contemporaneous communications, agreements and understandings between the Parties with respect to the exchange of Confidential Information in connection with the Purpose. This Agreement may not be modified in any manner except by written amendment executed by each Party. The requirement for mutual execution of an amendment shall not apply to a change of address or designation of a new point-of-contact to receive Confidential Information. Such changes shall be accomplished by letter from the changing Party to the other Party.



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the dates set forth under their respective signatures.

<b>Parallax Advanced Research Corporation</b>	<b>Party</b>
Signature:	Signature:
Name:	Name:
Title:	Title:
Date:	Date:

**Section J. Attachment 5. Invoice Template**

**[TBD]**