



TEAMING AGREEMENT

THIS TEAMING AGREEMENT (this “Agreement”) is made and entered into this [___] day of [____], 2003, by and between Dynamics Research Corporation, a Massachusetts corporation with offices at 60 Frontage Road, Andover, MA 01810 (“Prime Contractor”) and [TEAM MEMBER] a [STATE, LEGAL ENTITY], with offices at [MAILING ADDRESS], (“Subcontractor”).

BACKGROUND

A. The parties hereto, having carefully assessed their mutual capabilities and interests, desire to enter into a teaming arrangement for the preparation and submittal of a proposal to the [CUSTOMER NAME/AGENCY/CITY, STATE], (the “Customer”), in support of [PROGRAM NAME AND/OR DESCRIPTION (ACRONYM)] (“Project”).

B. The parties have determined that they have the necessary expertise required for the Project, and that this Agreement will enable them to complement their unique capabilities, and thereby offer the Customer the best combination of capabilities to perform the Project in the most cost effective manner.

C. The purpose of this Agreement is to set forth the understandings under which the parties will work together on this proposal effort;

AGREEMENT

In consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. PROPOSAL PREPARATION

1.1 DRC intends to submit to the Customer a proposal as prime contractor for the Project (the “Proposal”).

1.2 Subcontractor will provide appropriate and high quality personnel and use its best efforts to prepare and submit to DRC such data reasonably required to prepare the Proposal for work described in Exhibit A, Statement of Work, attached to and made a part of this Agreement.

1.3 DRC will prepare the Proposal, integrate the data and material provided by Subcontractor and submit the Proposal to the Customer. DRC is responsible for the Proposal’s

content; provided, however, that DRC will (a) provide Subcontractor with a reasonable opportunity to review Subcontractor's portion of the Proposal prior to submittal, and (b) consult with Subcontractor on decisions that could reasonably be expected to affect the interests of Subcontractor.

1.4 Subcontractor will provide liaison effort and support personnel reasonably be required by DRC to support the integration of the Subcontractor's data and material into the Proposal. If DRC is required to present further oral or written clarification regarding the Proposal, Subcontractor agrees to provide, on DRC's request, all reasonable support of the data and material it has supplied, including without limitation, participation in meetings with the Customer.

1.5 DRC will: (a) identify the contribution of Subcontractor in the Proposal, (b) propose Subcontractor as a subcontractor under the prime contract, and (c) use commercially reasonable efforts to obtain the Customer's approval of Subcontractor as a subcontractor under the prime contract to perform the work described in Exhibit A. The Subcontractor will cooperate with all Government audits, examinations and inspections conducted pursuant to the Program.

1.6 The parties will assist and cooperate with each other in every reasonable way to obtain the award of the prime contract to DRC and a subcontract to Subcontractor .

1.7 DRC will keep Subcontractor informed concerning all aspects of Proposal preparation and the status of the prime contract negotiations.

1.8 Prime is responsible for all communications with the Customer concerning the Proposal and Subcontractor will not initiate any communications or negotiations with the Customer concerning the Proposal, unless otherwise requested by DRC.

2. RELATIONSHIP BETWEEN THE PARTIES

2.1 Contact Persons. The parties will designate in writing one or more individuals within their respective organizations as representatives responsible for directing technical and administrative performance of that party's functions under this Agreement. These representatives will manage the requirements and responsibilities of the parties under this Agreement. All contacts between the parties concerning the Program will be made through these representatives.

2.1 Relationship. This Agreement does not constitute a joint venture, partnership, consortium, or any other form of business arrangement or organization between the parties.

2.2 Status; Independent Contractors. Each party is an independent contractor and not an agent or partner of the other for any purpose whatsoever, and neither party has the authority to bind the other party or make any commitments of any kind for or on behalf of the other party.

2.3 Employees. The employees of one party shall not be deemed the employees of the other.

2.4 Exclusivity. The parties' efforts on the Proposal are exclusive to each other during the term of this Agreement. The parties will not to participate, either independently or as a member of another team, in any effort which is directly competitive with the Proposal during the term of this Agreement. This Section 2.4 does not preclude DRC from including other team members on the Project if the DRC reasonably considers that an expanded team will enhance the Proposal or the scope or quality of services to be offered to the Customer.

2.5 Employee Non-solicitation. Neither party shall solicit any employee of the other party working on the Project to leave the employment of the other party during the term of this Agreement (including any extension) and for a period of one (1) year thereafter; provided, however, that nothing in this Section 2.5 shall prohibit any employee from either party from: (a) responding to advertisements in the general media and, except to the extent that such individual was specifically encouraged to respond to such advertisements by the party seeking to hire such individual, there shall be no restrictions on the hiring of the individual employee so responding; or (b) pursuing employment opportunities with other party on his or her own initiative.

2.6 Other Business Activity. No provision in this Agreement precludes either party from quoting and offering for sale, or from selling to others, any item or service which it regularly offers for sale.

2.7 Conflicts of Interest. Notwithstanding any provision in this Agreement to the contrary, the Subcontractor has the right to refuse to participate in any task or effort for which a potential or existing conflict of interest can reasonably be demonstrated. Each party agrees to accept responsibility for and consequences of any conflict of interest (as defined in the Federal Acquisition Regulation) related to that party which may arise during performance of this Agreement.

3. NEGOTIATIONS OF SUBCONTRACT

3.1 Prime Contract Award. If DRC is awarded the prime contract, the parties will negotiate a subcontract in good faith, provided that: (a) DRC is awarded a prime contract that includes the work identified in Exhibit A, and (b) the Customer approves the subcontract (to the extent that such approval is required).

3.2 Subcontract Terms. The parties will mutually agree upon the terms and conditions of the subcontract, which will include, without limitation, those clauses of the prime contract that are required to be passed on to the subcontract [**AND OTHER PROVISIONS REQUIRED BY LAW OR REASONABLY REQUIRED BY DRC...**].

3.3 Subcontract Pricing. The subcontract shall be negotiated at a fair and reasonable prices for the work to be performed consistent with the Subcontractor's pricing submitted in the Proposal.

4. COSTS

4.1 DRC and Subcontractor will bear their respective costs, expense, risks and liability caused by or arising out of the Proposal effort, and neither party is liable or obligated to the other for any these costs, expense, risks or liability.

4.2 DRC is responsible for all costs for graphic arts, printing, binding and delivery related to the preparation of the Proposal in its final form.

4.3 No provision in this Agreement will be construed to provide for sharing of profit or losses between the parties.

5. PROPRIETARY INFORMATION

Proprietary Information will be controlled in accordance with the terms of the Mutual Proprietary Information and Nondisclosure Agreement, substantially in the form of Exhibit B to this Agreement, to be executed by the parties.

6. CLASSIFIED INFORMATION

Each of the parties agrees and acknowledges that it is fully aware of its respective responsibilities in the care and handling of classified information. If the performance of this Agreement or any related contract or subcontract requires access to or storage of classified data or other information, each party will safeguard and protect the same in accordance with a system of security controls pursuant to the requirements of DD Form 441 (Security Agreement) and of the National Industrial Security Program Operating Manual (NISPOM) for the Safeguarding of Classified Material in effect from time to time during the term of this Agreement.

7. RIGHTS IN INVENTIONS

Any invention arising out of this Proposal effort that are solely conceived or reduced to practice by one of the parties remains the property of that party. Inventions arising out of this Proposal effort that are jointly conceived or jointly reduced to practice by the parties are be subject to further negotiations between the parties in order to establish their respective rights, subject to the Customer's rights, if any, to receive license or rights to inventions, data and information under the terms of the prime contract.

8. TERMINATION OF AGREEMENT

Except for the rights of the parties with respect to Proprietary Information (Section 5) and Rights in Inventions (Section 7), and unless extended by mutual written agreement of the parties, this Agreement automatically terminates upon the first occurrence of any of the following events:

(a) The Customer awards a prime contract for the Project to DRC and DRC and Subcontractor execute and deliver a mutually agreeable subcontract;

(b) The Customer provides written notification that the Program or the prime contract therefore has been cancelled;

(c) The Customer awards the provides written notification that it will not award the prime contract to DRC for the Project;

(d) The Customer awards a prime contract for the Project to a bidder other than DRC;

(e) The Customer provides written disapproval of the selection of Subcontractor, or direction to select someone other than Subcontractor as a subcontractor for the Project;

(f) The Customer provides written notification of an objection to this Agreement and the parties are unable to overcome that objection within a reasonable period of time;

(g) The parties agree in writing to terminate this Agreement;

(h) Either party petitions for bankruptcy or reorganization under the bankruptcy laws or assignment for the benefit of creditors;

(i) Either party materially breaches any provision of this Agreement and fails to correct that breach within fourteen (14) days after receiving written notice of that breach from the other party;

(j) The expiration of six (6) months after the date of this Agreement (or such later date as may be agreed upon) except that this date will automatically extend to allow the negotiation of a subcontract between the parties following the award of the prime contract to DRC;

(k) DRC provides written notice to Subcontractor that DRC has decided, in its sole discretion, not to pursue the Project;

(l) The Customer substantially changes its procurement strategy or scope from that known to the parties on the date hereof and either party gives the other prompt notice of termination of this Agreement, so long as such notice is received by the other party at least 30 days prior to the due date of the Proposal.

9. PUBLICITY

Neither party will release any publicity, advertising or other form of public announcement relating to this Agreement without the prior written approval of the other party; provided, however, that either party may cite its efforts under this Agreement in any past performance request related to other Government/state contracts or RFPs without seeking approval from the other party.

10. REMEDY FOR BREACH

10.1 Limitation on Liability. If either party breaches this Agreement (except for Section 5, Proprietary Information or Section 7, Rights in Inventions), the remedy of the non-breaching party will be limited to the recovery of its direct costs and applicable overhead expended in performing its obligations under this Agreement.

10.2 No Special Damages. Except for willful breach or gross negligence, neither party shall be liable for lost profits, loss of use, or interruption of business, nor for consequential, indirect, special, punitive, or incidental damages incurred by the other party as a result of any breach of this agreement, even if such party has notice of the potential for those damages.

10.3 Indemnification.

A. Each party (the “Indemnifying Party”) agrees to indemnify, hold harmless, and defend the other party, its agents, employees, officers, directors, and clients (the “Indemnified Parties”) from any and all costs and expenses, including attorney's fees, that the Indemnified Parties may pay or become obligated to pay, on account of any, all, and every demand or claim, or assertion of liability arising, or alleged to have arisen, out of:

(i) the Indemnifying Party's failure to comply with the Truth In Negotiations Act;

(ii) any and all actions or proceedings charging infringement of any patent, trademark, copyright, or mask work by reason of sale or use of any items or services furnished hereunder; or

(iii) bodily injury to or damage to property of any person, including the Indemnifying Party's subcontractors' employees, arising out of performance of any work hereunder, including the Indemnifying Party's use of the Indemnified Parties' premises or equipment.

B. If the Indemnifying Party's liability arises due to the negligence of the Indemnified Parties or by reason of specific compliance with detailed instructions of the Indemnified Parties, then the Indemnifying Party is not be liable under this Section 10.3 except to the extent of the Indemnifying Party's contributory negligence under the applicable laws of the Commonwealth of Massachusetts. The Indemnified Parties will provide the Indemnifying Party with prompt notice of any potential claim covered by this clause and to provide reasonable assistance to the Indemnifying Party in defending or settling of that claim.

11. MISCELLANEOUS

11.1 Governing Law; Jurisdiction. This Agreement is made under and will be construed in accordance with the laws of the Commonwealth of Massachusetts without regard to any conflict of laws principles. [consent to jurisdiction]. Any dispute under this Agreement that

cannot be resolved by the parties will be tried solely in the federal or state courts in the Commonwealth of Massachusetts.

11.2. Entire Agreement; Amendments. This Agreement constitutes the entire understanding between the parties hereto with respect to the subject matter of this Agreement. Any amendment or modification to this Agreement must be in writing and signed by both parties.

11.3 Severability. If any part, term or provision of this Agreement is held void, illegal or unenforceable, or in conflict with any law of a federal, state or local government having jurisdiction over this Agreement, the validity of the remaining provisions shall not be affected thereby, and shall remain in full force and effect.

11.4 Notices. All notices required under this Agreement must be in writing and delivered personally, sent by prepaid courier or sent by registered or certified mail, postage prepaid, return receipt requested, or by reputable overnight courier, to the addresses set forth in the preamble to this Agreement, or such other address as the party to whom notice is being give may direct by proper notice.

11.5 Assignment. Neither party shall assign nor in any manner transfer its rights or obligations or any part thereof in this Agreement without the prior written consent of the other party; provided, however, that no consent is required for any assignment that occurs as a result of the merger or consolidation with or acquisition by another business entity, or the sale of all or substantially all of the assets of assigning party, in each case so long as the terms of this Agreement are not amended as a result of that transaction. This Agreement is binding upon and inures to the benefit of the parties to this Agreement and their respective successor and assigns.

11.6 Execution in Counterparts; Facsimiles. This Agreement may be executed in counterparts, each of which for all purposes will be deemed to be an original and which together constitute one and the same instrument. This Agreement may be executed by facsimile signature with the same effect as an original signature.

IN WITNESS WHEREOF, the parties hereto have executed the Agreement as of the date set forth above.

DYNAMICS RESEARCH CORPORATION

TEAM MEMBER

By _____

By _____

Title _____

Title _____

**EXHIBIT A
STATEMENT OF WORK**

[To be determined]

EXHIBIT B

MUTUAL PROPRIETARY INFORMATION AND NONDISCLOSURE AGREEMENT

Between
Dynamics Research Corporation of 60 Frontage Road, Andover, MA 01810, U.S.A.
and

The Subject Matter of this Agreement is:

WHEREAS, the undersigned parties recognize that their businesses involve specialized and proprietary information peculiar to their security and growth, and that any disclosure of such proprietary information would substantially injure their businesses, impair their investments and goodwill, and jeopardize their relationship with clients and customers.

WHEREAS, the parties presently desire to consult with each other with respect to certain information, problems and recommendations, and in the course of such consultation, anticipate disclosing to each other information of a novel or proprietary nature.

NOW, THEREFORE, the parties hereto, in consideration of the premises and other good and valuable consideration, agree that disclosure of any proprietary information related to the Subject Matter shall be subject to the terms and conditions set forth below:

1. **Definition.** Proprietary or novel information ("Information") shall, without limitation, include all financial and statistical data, sales and client information, techniques, strategies, tactics, oral presentations, marketing plans, samples, prototypes, drawings, computations, processes, technical data, know-how and business plans pertaining to the above Subject Matter. All Information shall be clearly marked as proprietary when disclosed, and any Information disclosed orally or visually shall be identified as proprietary at the time of disclosure and further identified in writing within seven (7) days of such original disclosure.

2. **Exclusions.** Information shall not include material that the recipient party can by reasonable proof:

- (i.) Show such Information, in its disclosed combination(s), is in the public domain through no fault of recipient.
- (ii.) Show such Information is contained in a written record in the recipient's files prior to the date of its receipt hereunder.
- (iii.) Show the recipient had at any time lawfully obtained said Information from a third party under circumstances permitting its disclosure and use.
- (iv.) Show the Information is disclosed by the disclosing party to others on an unrestricted basis.
- (v.) Demonstrate such Information was independently developed by those of its employees without access to the Information disclosed hereunder.

Disclosures made under this Agreement that are specific shall not be deemed to be within the foregoing exceptions merely because they are embraced by general disclosures in the public domain or in the recipient's possession. In addition, any combination of features shall not be deemed to be within the foregoing exceptions merely because individual features are in the public domain or in the recipient's possession, but only if the combination itself and its principle of operation are in the public domain or in the recipient's possession.

3. Non-Disclosure Period. Each party agrees not to use, disclose or publish any Information received hereunder for a period of five (5) years from the date of its original disclosure without prior written consent from an authorized representative of the original disclosing party or pursuant to a subsequent agreement between the parties, notwithstanding any termination dates or conditions expressed elsewhere in this Agreement. However, this Agreement shall not prevent either party from making disclosures of Information to the U.S. Government as part of any proposal effort contemplated by the Subject Matter provided such disclosure is coordinated with the other party in advance and any Information so disclosed is identified as proprietary information of the original disclosing party.

4. Proprietary Treatment. Each party and its subsidiaries and related organizations will treat all Information received from the other party during any preliminary negotiations involved with this Agreement, the consulting arrangements, or the subject matter as proprietary and they will not use, disclose, divulge or publish such Information for the term stipulated below.

5. Specific Prohibited Uses. Each party agrees not to use the Information during the period of this Agreement, either directly or indirectly, to solicit business from any individual, company, agency or institute, or to interfere with, impair or hinder any relationship between the disclosing party and any of its customers, prospective customers, suppliers, strategic partners, affiliates or investors, or in any other manner to compete against the disclosing party. Each party further agrees not to solicit, persuade or encourage any non-clerical employee of the other party to leave the employment of the other party during the term of this Agreement, provided that a general advertisement in the ordinary course of business shall not be deemed a solicitation prohibited by this paragraph.

6. No Licenses. No license to the other party, under any trademark, patent or copyright is either granted or implied by the conveying of Information to that party. None of the Information which may be submitted or exchanged by the respective parties shall constitute any representation, warranty, assurance, guarantee or inducement by either party to the other with respect to the Information's validity, merchantability or to the infringement of trademarks, patents, copyrights or any other right of privacy, or other rights of third persons.

7. Application to Third Parties. The parties shall notify all employees, subsidiaries and affiliates to whom any such Information is communicated or disclosed of the terms of this Agreement in advance of such disclosure and to have nondisclosure agreements with such parties. The parties agree that they will not publish, disclose, divulge, communicate or reveal any Information to any person, corporation, or other third party or to any of their employees who do not need to know of the Information for the performance of their duties. The parties agree to give each other forty-eight (48) hours notice if required by court order or subpoena to turn Information over to a third party.

8. Standard of Care; Remedy at Law. The parties agree to take all reasonable and necessary steps to protect the proprietary status of the Information disclosed, and agree to use their best efforts to regain any Information that has been inadvertently transmitted to a third party. In addition, each party recognizes that its remedy at law for this Agreement's breach would necessarily be inadequate, and they thus stipulate that in the event of any such breach, they shall be entitled to seek appropriate equitable relief (including but not limited to injunctive relief or specific performance) in addition to monetary damages.

9. SEC Compliance. The parties acknowledge that they are aware, and that they will advise anyone working for or on behalf of them, that under the United States' securities laws, persons who have received material, nonpublic information from an issuer are prohibited from purchasing or selling securities of such issuer or from communicating such information to any person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities in reliance on such information.

10. Ownership of Information. The parties agree that any Information revealed to the other by them remains the exclusive property of the disclosing party and its successors and assigns, unless expressly stated otherwise or subsequently in writing. Upon termination, each party agrees to return or destroy all Information furnished hereunder (and copies thereof) and to destroy all notes, extracts, studies, compilations, memoranda and other documents containing such Information.

11. Governing Law. This Agreement shall be construed under the laws of the Commonwealth of Massachusetts, excluding any conflicts of laws principles, and any legal action or proceeding to this Agreement shall be brought in the courts of the Commonwealth of Massachusetts or of the United States of America for the District of Massachusetts. Each party hereby further waives any claim that any such court lacks personal jurisdiction over the same, and each party consents to the service of process out of any of the aforementioned courts by the mailing of copies thereof by registered mail to the principal business address of the other party, such service to become effective thirty (30) days after such mailing. Nothing herein shall affect the right of either party to serve process in any other manner permitted by law. The parties agree that in case of a breach by a party the other party shall be entitled to an award by the court of its costs and expenses of the prevailing action.

12. Term. This Agreement of nondisclosure, except for the obligations of Article 3, shall automatically terminate five (5) years after the date of last of the parties to sign below.

13. Severability. In the event that one or more of the provisions of this Agreement are rendered void or unenforceable, no other provision shall be affected. If any provision is found too broad to be effective, that provision shall be limited and enforced to the extent possible.

14. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties, superseding any prior understandings, commitments or agreements, oral or written, with respect to the Subject Matter thereof. Any changes or modifications must be in writing.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by a duly authorized officer and the Agreement shall take effect on the date the party last to sign executed this Agreement.

DYNAMICS RESEARCH CORPORATION

COMPANY

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____