

Contract for Engineering Consulting Services

1. This Agreement is made on _____ between H&A System Engineering ("Consultant") and _____ ("Company"). This Agreement shall be in force for the period of engagement specified in Attachment A.

2. Relationships. No relationship other than Buyer and Independent Contractor shall be deemed to exist between Company and Consultant. The Consultant hereby represents that the Consultant is responsible for all necessary payroll withholdings and payments as may be required by federal and state laws and that all engineering services being performed hereunder will be performed by the Consultant's Principals who are California professional engineers with licenses:

KP Haggerty: E15136 and CS7114

LJ Haggerty: E14797

3. Compensation. In compensation for the services to be performed by the Consultant, the Company agrees to pay the Consultant the fees and expenses specified in Attachment A. All services rendered shall be invoiced as specified in Attachment A.

4. Company's Duties. The Company shall provide all relevant Company data to be used in performance of this contract by the Consultant.

5. Consultant's Duties. The Consultant shall provide engineering consulting services in accord with the statement of work in Attachment B.

6. Liability and insurance provisions

6.1 Insurance. The Consultant shall maintain, at the Consultant's expense, the insurance listed in Attachment C.

6.2 Arbitration. Any dispute between Company and Consultant regarding this agreement will be settled under the commercial rules of the American Arbitration Association by mediation and if not resolved, by arbitration of the last offered mediation positions.

6.3 Liability Limitation. The liability of the Consultant with respect to this Agreement shall in any event be limited to the total compensation for the services provided under this Agreement and shall not include any contingent liability.

7. General provisions

7.1 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of California.

7.2 Severability. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

7.3 Entire Agreement. This Agreement constitutes the entire Agreement between the parties and may not be changed unless mutually agreed upon in writing by both parties.

7.4 Amendments to Agreement. This agreement may not be changed unless mutually agreed upon in writing by both parties.

7.5 Force Majeure. Consultant is not responsible for damages or delay in performance caused by acts of God, strikes, lockouts, accidents, or other events beyond the control of Consultant.

7.6 Ownership of property. All work performed by the Consultant hereunder or under any amendment to this Agreement and all materials, products or deliverables developed or prepared for the Company by the Consultant under this Agreement or any such amendment, together with all patents, copyrights, trade marks, service marks, trade secrets and other proprietary or legal rights relating thereto, are the property of the Company and all title and interest therein shall vest in the Company. Intellectual Property owned by the consultant prior to the performance and knowledge gathered from the Program that are anticipated to be included in the performance of the contract shall be identified in Attachment D.

7.7 Nondisclosure. Each party to this Agreement agrees to protect all of the other party's Proprietary Information coming to the party's attention, and not to disclose it to any third party for 3 years from the end date of the Agreement. The party's agree to maintain the Proprietary Information in confidence and to treat the Proprietary Information with at least the same degree of care and safeguards that are taken with the Consultant's and Client's own Proprietary Information. Proprietary Information shall not be deemed to include information that: (a) is in or becomes in the public domain without violation of this Agreement; or (b) is already in the possession of one party, as evidenced by written documents, prior to the disclosure thereof by the other party; or (c) is rightfully received from a third entity having no obligation to the Client or Consultant and without violation of this Agreement by either party.

7.8 Conflict of Interest. The Consultant acknowledges having received a briefing on the subject matter of the work to be performed under this Agreement, has no existing conflicting interests, agrees not to accept other work that will result in a conflict of interest without express permission from the Company, and agrees that the Company will be informed of any potential or real conflict that may develop during the course of the work.

8. Termination of Contract. This Agreement shall terminate automatically on the occurrence of any of the following events: Completion by Consultant of the services required by this Agreement, Default in the performance of the Agreement by either party, Bankruptcy or insolvency of either party; Sale of the business of either party; Death of either party. This agreement may be terminated in whole or in part at any time by either party by giving 30 days written notice to the other, or as mutually agreed.

9. In Witness Whereof, Consultant and Company have caused this Agreement to be signed by their respective duly authorized officers as of the day and year above written.

For Consultant: KP Haggerty, Principal Systems Engineer
H&A Systems Engineering
P.O. Box 2875, El Segundo, CA 90245

For Company:

Attachment A: Consultant Compensation

Start Date: _____

End Date: _____

Not To Exceed: _____ hours (or dollars)

Invoice: Monthly

Terms: Net 30

Hourly Rate: \$xxx/hour (1/1/2013 – 12/31/2013)

Travel: Regular and customary expenses if required

Attachment B: Consultant Statement of Work

Provide engineering consulting in the design of the _____ system. The work tasks may include but are not limited to:

- a. Establishing the engineering approach and plan
- b. Performing trade studies
- c. Establishing subsystem and component level functional, performance, interface and test requirements
- d. Defining and evaluating design alternatives
- e. Evaluating off the shelf hardware and algorithmic approaches for usability in the design
- f. Advising senior management on risks, technical approaches, trades-offs, recommendations, plans, and schedules

Attachment C: Consultant Liability Insurance

General Liability: \$ _____

Professional Liability: \$0

Automobile Liability: \$ _____

Health Insurance

Attachment D: Consultant Furnished Intellectual Property

Items developed and owned by the Consultant Independently of the agreement for which the consultant plans to use and grant non-exclusive rights to the Company are listed below. All other items are assumed to be covered under the Ownership of Property Terms of the Agreement.

- a. Software, simulation, analysis and test code and approaches used in Systems Engineering Practices by H&A Systems Engineering.
- b. Tutorials and materials used in trade studies and conceptual review of System Elements required for the Company's products and services.