



ADMINISTRATIVE AGREEMENT

This Administrative Agreement ("Agreement") is made between the United States Army ("Army") and Rocky Mountain Instrument Company ("RMI").

A. PREAMBLE

1. On March 17, 2010, the United States Attorney for the District of Colorado filed a criminal information against RMI in U.S. District Court for the District of Colorado. The criminal information charged that RMI engaged in the illegal export of prisms and technical data related to military optical instruments and applications. Specifically, the criminal information charged that between April 1, 2005, and October 11, 2007, RMI willfully exported and caused to be exported the prisms and technical data to recipients in the Republic of Turkey, the Republic of Korea, the People's Republic of China, and the Russian Federation, without first obtaining a license or authorization to do so from the U.S. Department of State. The criminal information charged that RMI violated 22 U.S.C. §§ 2778 (b)(2) and (c) (the Arms Export Control Act); 18 U.S.C. § 2 (Principals); and 22 C.F.R. 127.1 (a) and 127.3 (the International Traffic in Arms Regulation). On June 22, 2010, RMI pleaded guilty to the criminal information. As part of its plea agreement with the Office of the U.S. Attorney, RMI admitted the statement of facts that was part of the plea agreement (Appendix A to the plea agreement). As part of the plea agreement, RMI agreed that a money judgment against RMI in the amount of \$1 million, representing a forfeiture of proceeds from the violations, was appropriate, pursuant to 18 U.S.C. §§ 981(a)(1)(C) and 1956(c)(7)(B)(v)(I) and 28 U.S.C. § 2461, and that RMI would pay this amount to the United States. (The plea agreement and statement of facts are appended to this Agreement as Attachment 1.) RMI agrees to pay the \$1 million according to the terms set by the Court and Probation Office. Failure to make payments in accordance with those terms will render this Agreement void.

2. In order to assure the Army that it is presently responsible, RMI agrees to take the remedial actions specified in Section C, *Status of Select RMI Employees*, and Section D, *Contractor Responsibility Program*, subject to the terms and conditions described in Section E, *General Conditions*, and Section F, *Administration of Agreement*.

3. The Army has determined that this Agreement provides adequate assurance that the Government's interests will be sufficiently protected, and that it will preclude the need for RMI's continued suspension or its debarment. The suspension of RMI will be terminated on the Effective Date of this Agreement.

4. This Agreement is effective for five years, commencing on the date that it is signed by the Army Suspension and Debarment Official (SDO). After completion of the third year of this Agreement, RMI may request that the SDO review RMI's performance under the Agreement to determine if the Agreement should be terminated at that time. Any decision concerning early termination of the Agreement will be in the sole discretion of the SDO.

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THEREFORE, in consideration of the promises set forth herein and for good and valuable consideration, the parties mutually agree as follows.

B. DEFINITIONS

1. "RMI" refers to Rocky Mountain Instrument Company, including its directors, officers, and employees, while acting in their capacities as such.
2. "Days" refers to "calendar days."
3. "Effective Date" (of this Compliance Agreement) refers to the date on which the Army SDO signs this Agreement on behalf of the Army.
4. "Employees" refers to officers, managers, supervisors, and all full-time, part-time, and temporary workers whose performance is under the direct supervision and control of RMI.
5. "Ethics Program Director" refers to a managerial officer of RMI who is responsible for overseeing RMI's implementation and execution of this Agreement, and will be the first point of contact within the company for all employees with questions or issues about the terms and conditions of this Agreement.
6. "FAR" refers to the Federal Acquisition Regulation.
7. "Government" refers to any department, agency, division, independent establishment, or wholly owned corporation of the United States Government.
8. "Independent cause" for suspension or debarment refers to a reason or basis for such action, whether directly or indirectly related to the information set forth in the Preamble or any document referred to in the Preamble.
9. "ITAR" refers to the International Traffic in Arms Regulations.
10. "Technology" refers to defense articles, including technical data, as those terms are defined in sections 120.6 and 120.10 of the ITAR.
11. "Technology Transfers" refer to the export of Technology as that term is defined in section 120.17 of the ITAR.

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C. STATUS OF SELECT RMI EMPLOYEES

1. RMI has separated the following employees from all work involving Technology and Technology Transfers on Government defense programs: Dr. Yubong Hahn, Mr. Young Soo Kim, Ms. Deborah Hunt, Mr. Donald Arsenault, and Ms. Mieko Pledger.

a. RMI has transferred Dr. Hahn from any direct day-to-day involvement in the performance of Government programs. Dr. Hahn has relinquished his position as President and Chief Executive Officer, and Mr. Steven Hahn has assumed the role of Chief Executive Officer. Dr. Hahn has no operational or supervisory responsibilities in his new position, but will be available as a resource on scientific problems or strategic business questions. Any tasks requested of Dr. Hahn that in any way involve RMI's Government business will be handled using the "Protocol for Control and Oversight of Technical and Business Services for Government-Related Orders." (Attachment 14 to RMI's May 3, 2010 submission to the Army, a copy of which is appended to this Agreement as Attachment 2.)

b. RMI has moved Mr. Kim to a position as manager of strictly commercial business from his general production role. In this position, Mr. Kim will be working on the sale of RMI's commercial products not controlled by the ITAR. RMI has moved Ms. Hunt to a position where she will have responsibility only for commercial sales. RMI has moved Mr. Arsenault to ISO quality reviews, an area not involved with Government orders. RMI has reassigned Ms. Pledger to be a position exclusively dealing with commercial production control.

c. During the term of this Agreement, RMI agrees that Dr. Hahn, Mr. Kim, Ms. Hunt, Mr. Arsenault, and Ms. Pledger will continue to perform no work involving Technology and Technology Transfers on Government defense programs.

d. Should RMI become aware of any other RMI employee who is the target of an investigation by the U.S. Department of Justice or any Federal investigative agencies based on his or her actions in the area of Technology and Technology Transfers on Government defense programs, RMI will advise the SDO of that development and remove that person from work in this area during the term of this Agreement.

2. RMI management will instruct RMI employees to cease communication with Dr. Hahn, Mr. Kim, Ms. Hunt, Mr. Arsenault, and Ms. Pledger about Technology and Technology Transfers on Government defense programs, except to the extent allowed by the Protocol for Control and Oversight of Technical and Business Services for Government-Related Orders, which is appended to this Agreement as Attachment 2. When it is necessary for RMI and its employees to communicate with these individuals regarding Technology and Technology Transfers on Government defense programs, RMI must notify the Ethics Program Director in advance of making contact, or immediately thereafter if advance notice was not possible.

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3. On May 28, 2010, RMI informed the Army that Mr. Steven Hahn had a 51% limited partnership interest in the company; that Ms. Denise C. Hahn had a 48% limited partnership interest; and that Dr. Hahn (The Yubong Hahn Family Living Trust) had a 1% general partnership interest. As part of this Agreement, RMI agreed that Dr. Hahn (The Yubong Hahn Family Living Trust) would relinquish his general partnership interest and would not reacquire it during the term of this Agreement. On June 14, 2010, Steven Hahn became the sole general partner with a 0.5% general partnership interest. On June 14, 2010, RMI's limited partners were as follows: Steven Hahn (50.5% interest); Denise Hahn (48% interest); and The Yubong Hahn Family Living Trust (1% interest). RMI agrees that any proposed changes in the ownership during the term of this Agreement, must be submitted to the Army in advance and approved by the Army in advance.

4. The following are RMI affiliated companies: RMI Laser LLC, Millennium Optical Systems, RMI Korea, OpticPenta, and RMI Infrared, Inc. Dr. Yubong Hahn is President of RMI Laser LLC, and the parties agree that he may remain in that position. RMI represents that RMI Laser products are not ITAR-controlled, do not require U.S. Department of State export licensing, and are generally sold under commercial terms and conditions. If RMI Laser's products, operations, or sales materially change, thereby invalidating this representation, RMI shall promptly notify the Army. RMI agrees that these entities shall take no action inconsistent with the terms of this Agreement. The Army will consider any improper actions by the affiliated companies in evaluating RMI's responsibility as Government contractor.

D. CONTRACTOR RESPONSIBILITY PROGRAM

1. **General.** RMI shall institute a Contractor Responsibility Program involving all its employees. The program shall be designed to ensure that RMI maintains the high standard of business integrity and honesty required of Government contractors and that RMI's performance of Government contracts is in strict compliance with their terms and the FAR. At a minimum, the Program shall include the following features, which are described in greater detail below:

- a. Notification of this Agreement to all RMI employees and consultants;
- b. Adoption of a Code of Business Ethics and Conduct;
- c. Publication of a Government Contracting Policies and Procedures Manual;
- d. Establishment and conduct of a training program in business ethics and Government contracting for all RMI employees;
- e. Appointment of an internal Ethics Program Director;

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f. Installation of an employee hotline to raise questions concerning their obligations under the Contractor Responsibility Program, and to report suspected instances of improper conduct;

2. Notification of This Agreement. Within 30 days after the Effective Date of this Agreement, RMI's Chief Executive Officer shall prepare and display a letter stating that RMI has entered into an Administrative Agreement with the Army. In all buildings or business facilities under RMI's control, the letter will be displayed in a prominent place accessible to all employees. The letter will continue to be displayed during the term of this Agreement. A copy of the Chief Executive Officer's letter will be forwarded to the Army for approval prior to distribution and will describe this Agreement and RMI's responsibilities herein. The letter shall state:

- a. The factual circumstances necessitating this Agreement;
- b. RMI's commitment to observe all applicable laws and regulations, and to maintain the highest standards in conducting business with the United States Government;
- c. A brief description of the features of the Contractor Responsibility Program (CRP);
- d. The name, address, toll-free hotline, and local telephone number of Ethics Program Director;
- e. The availability of the Ethics Program Director for consultation on any questions concerning RMI's business practices or employee responsibilities, including required reporting of improprieties; and
- f. That all suspected ethical or compliance improprieties shall be reported to the Ethics Program Director, who will conduct an investigation followed by appropriate corrective action, and that employees may make such reports without revealing their identity.

3. Code of Business Ethics and Conduct.

a. RMI shall create, maintain, and revise, as necessary, a Code of Business Ethics and Conduct ("Code"). The Code shall be designed to ensure that RMI maintains the business integrity and honesty required of a Government contractor, and that RMI's performance is in strict compliance with the terms and conditions of its Government contracts and the FAR. This Code shall be applicable to all of RMI's employees and operations, not just those that are involved with Government contracts.

b. Within 30 days of the Effective Date of this Agreement, RMI shall submit a draft Code of Business Ethics and Conduct to the Army for written approval. If the Army objects to the Code

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of Business Ethics and Conduct, RMI shall promptly revise the Code to meet the Army's objections and resubmit it for approval.

c. RMI will furnish a copy of the Code of Ethics to all employees within 60 days after the Code is approved by the Army.

d. Elements of the Code of Business Ethics and Conduct. The Code shall include at a minimum:

(1) A statement of RMI's commitment to comply with the contractor responsibility provisions of the FAR and all other applicable laws and regulations concerning the conduct of Government contracting or subcontracting;

(2) A statement of RMI's commitment to fully cooperate with any Government agencies responsible for either investigation, corrective action, or enforcement of compliance issues;

(3) Specific standards of conduct for RMI employees concerning their business dealings and actions on behalf of RMI;

(4) Notice that RMI will immediately discipline, to include termination if appropriate, employees whose conduct violates applicable laws, regulations, the Code of Ethics, Government contract terms, or basic tenets of business integrity and honesty;

(5) A requirement that RMI employees report to the Ethics Program Director any suspected impropriety or violation of this Agreement, whether committed by RMI, an affiliate company, a vendor, a subcontractor, or a Government employee; and

(6) Specific standards of conduct for RMI employees concerning their charging of costs to the Government while performing Government contracts.

RMI will modify the Draft Code of Conduct and Implementing Ethics Compliance Procedures that was Attachment 15 to its May 3, 2010 submission to the Army, so that it fully complies with all elements set forth above.

4. Government Contracting Policies and Procedures Manual.

a. RMI shall establish and maintain a written Government Contracting Policies and Procedures Manual ("Manual") to regulate the formation, administration, and performance of its Government contracts. The Manual shall describe RMI's method for competing for and

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administering Government contracts and the personnel responsible for performing, approving, and reviewing these tasks.

b. RMI management shall monitor employee compliance with the policies and procedures set forth in the Manual, and consider such compliance when making decisions concerning personnel decisions, including compensation.

c. Within 60 days after the Effective Date of this Agreement, RMI shall submit a draft Manual to the Army for written approval. If the Army objects to the Manual, RMI shall promptly revise it to meet the Army's objections and resubmit it for approval.

d. RMI will furnish a copy of the manual within 60 days after the Manual is approved by the Army to all employees directly involved in the formation, administration, and performance of Government contracts.

5. Maintenance of Technology Control Plan and Detailed Export Control Procedures. RMI will maintain the technology control plan and the detailed export control procedures that it presented to the Army at its meeting on May 28, 2010. These procedures are contained at Attachments 7 – 11 of RMI's May 3, 2010 written submission. RMI will ensure that these procedures are followed in all cases.

6. Export Compliance Oversight and Auditing. During the term of this Agreement, RMI will maintain the oversight and auditing program described in its May 3, 2010 written - submission to the Army.

7. Training Program.

a. Army Approval of Training Plans. Within 60 days after the Effective Date of this Agreement, RMI shall provide the Army a training plan with a detailed description of the ethics and Government contract compliance training classes it intends to implement, including a description of the course materials intended for use. If the Army rejects the plan, RMI will promptly propose another plan.

b. Ethics Training. Within 60 days after approval of the training plan by the Army, RMI shall provide all its employees a copy of its Code of Business Ethics and conduct initial training in business ethics. All employees shall sign and date a roster certifying they attended the training, and received and read a copy of the Code of Business Ethics. RMI shall ensure newly hired employees receive this training within 60 days of hire, and sign and date a roster certifying they attended the training, and received and read a copy of the Code. The Ethics Program

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Director will be responsible for maintaining the above-mentioned rosters, and will make them available to the Army upon request.

c. Government Contracting Training. Within 60 days after approval of the training plan by the Army, RMI shall provide employees directly involved with formation, administration, and performance of Government contracts specialized training in laws, regulations, and RMI policies and procedures related to Government contracting. These employees shall sign and date a roster certifying they attended the training, and received a copy of the Government Contracting Policies and Procedures Manual. RMI shall ensure newly hired employees receive this training within 60 days of hire, and sign and date a roster certifying they attended the training, and received and read a copy of the Manual. The Ethics Program Director will be responsible for maintaining the above-mentioned rosters, and will make them available to the Army upon request.

d. Frequency and Certification of Training. RMI shall conduct ethics and Government contracting training annually, and will update employee certifications at that time. All training content will be updated when necessary.

e. Notice of Training. RMI will provide the Army a schedule of all ethics and Government contracting training sessions at least 30 days in advance, so the Army may attend the training at the Army's discretion. Moreover, RMI shall, upon reasonable notice by the Army, organize a training session, which may be in conjunction with the regularly scheduled training outlined above, for an Army representative to address employees regarding their obligation to preserve integrity within Government contracting.

8. Ethics Program Director. RMI shall maintain a managerial officer as the Ethics Program Director (EPD) and revise that employee's job description to accommodate this duty. The EPD is intended to serve as the internal point of contact for all issues relating to the terms and conditions of this Agreement. The Ethics Program Director is responsible for fulfilling all duties assigned to the EPD by this Agreement. The EPD's duties include, but are not limited to:

(a) ensuring employees receive the ethics and Government contracting training described in this Agreement, as well as copies of the Code of Ethics and the Contracting Policy and Procedures Manual,

(b) acting as an internal point of contact for employees with questions or issues relating to this Agreement,

(c) acting as an internal point of contact for employee reports of suspected improprieties, or ethics violations, or compliance violations,

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(d) ensuring the Code of Ethics and Contracting Policy and Procedures Manual is updated, when necessary,

(e) establishing and maintaining the employee hotline, and

(f) ensuring all notices and posters required by this Agreement are implemented.

The EPD will investigate and resolve any ethics or compliance issues which may arise during the term of this Agreement. RMI has appointed Ms. Tricia Heller to be its EPD, and the Army approves of this appointment. Any change in the EPD shall require prior Army approval. In this case, RMI shall provide to the Army for its approval the name, current position, job description, and resume of the proposed EPD.

9. Compliance Hotline.

a. General. Within 30 days of the Effective Date of this Agreement, RMI shall establish and maintain a "hotline" number by which employees may report to the Ethics Program Director any suspected instance of improper conduct, to include fraud, waste, abuse, violation of any contract term, violation of this Agreement, or violation of any law or regulation. The "hotline" number, and the name, address, and phone number of the Ethics Program Director shall be prominently displayed in all employee work and break areas, and included in all appropriate internal employee and management publications. These notifications shall describe the hotline's purpose, explain that reports may be made anonymously, and that all anonymous reports will be acted upon in the same manner as identifiable reports.

b. Hotline Log. The Ethics Program Director shall maintain a log of all hotline calls, which shall include: date and time of call, identity of caller (if disclosed), summary of the allegation or inquiry, and general resolution or referral. The Ethics Program Director will ensure that each call is adequately investigated and resolved. Hotline investigation reports shall be provided to the Army. RMI shall not assert an attorney-client or work product privilege with respect to the hotline log, investigative reports, or their contents.

10. Reports to the Army.

a. RMI will ensure that the Ethics Program Director submits a semi-annual report to the Army within seven days after January 1st and July 1st of each year until this Agreement expires or is terminated. The report shall include:

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(1) A description of the training conducted that is required by this Agreement and the number of persons who attended, including a statement of the percentage of total employees trained year-to-date as of the date of the report,

(2) The total number of hotline calls or other contacts made to, or referred to, the Ethics Program Director. This part of the report shall include:

(a) The means by which any alleged misconduct was reported (e.g., call, letter, or in-person meeting);

(b) The category of any alleged misconduct (e.g., ITAR violation, product substitution, mischarging, defective pricing) and a brief descriptive summary of it;

(c) Whether the alleged misconduct was substantiated, in whole or in part;

(d) Whether disciplinary action was imposed and, if so, a description of that action;

(e) Whether corrective measures other than disciplinary action were taken and, if so, a description of those actions. Matters pending resolution at the time of a reporting period shall be included in each subsequent report until final resolution of all matters are reported.

b. In addition, RMI will ensure that the Ethics Program Director submits a comprehensive report to the Army no later than 14 days after the fourth anniversary of this Agreement thoroughly reviewing RMI's compliance with the Agreement and the ethics environment within the company. The report shall be reviewed by the Army and a recommendation concerning a possible extension of the Agreement beyond the initial five year term shall be made to the SDO by the Ethics Program Director.

E. GENERAL CONDITIONS

1. Unallowable Costs. All costs, as defined in FAR 31.205-47, incurred for or on behalf of RMI in response to or in preparation of Government criminal, civil, or administrative actions arising out of alleged violations described in the Preamble, and all costs incurred by RMI in negotiating, implementing and abiding by the terms of this Agreement, shall be deemed unallowable costs, direct or indirect, for Government contract purposes. These unallowable amounts shall be separately accounted for by RMI by identification of costs incurred: a) through accounting records to the extent possible; b) through memorandum records, including diaries and formal logs, regardless of whether such records are part of official corporate documentation, where accounting records are not available; and c) through good faith itemized estimates where no other accounting basis is available.

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2. Allowable Costs. The costs of all self-governance, compliance, or ethics programs, activities and offices in existence prior to when the matters described in the Preamble of this Agreement arose and which are continued by the terms of this Agreement shall be allowable costs to the extent otherwise permitted by law and regulation.

3. Modifications of This Agreement. Any requirements imposed on RMI by this Agreement may be discontinued by the SDO at his sole discretion. Other modifications to this Agreement may be made only in writing and upon mutual consent of the parties to this Agreement.

4. Approvals. Where this Agreement requires approval, action, or response by the Army, the SDO, the Chief of the Army Procurement Fraud Branch, or a designee assigned by either of those two individuals will normally provide such approval, action, or response.

5. Business Relationships with Suspended or Debarred Entities. RMI shall not knowingly form a contract with, purchase from, or enter into any business relationship with any individual or business entity that is listed by the General Services Administration (GSA) as debarred, suspended, or proposed for debarment. In order to implement this provision, RMI shall make a reasonable inquiry into the status of any such potential business partner, to include, at a minimum, review of GSA's Excluded Parties List System.

6. Public Document. This Agreement is a public document. It will be posted on the publicly assessable Army Fraud Fighter's Website, and may be distributed by RMI or the Federal Government at either party's discretion.

7. Releases. RMI releases the United States, its instrumentalities, agents, and employees in their official and personal capacities, of any and all liability or claims, monetary or equitable, arising out of the investigation and negotiation of this Agreement.

8. Scope of This Agreement - Suspension and Debarment for Independent Cause. This Agreement in no way restricts the authority, responsibility, or legal duty of the Army or any other Federal agency to consider and institute suspension or debarment proceedings against RMI based upon information constituting an independent cause for suspension or debarment, regardless of whether the independent cause is related or unrelated to the facts and circumstances set out in the Preamble. The Army or any other Federal agency may, in its sole discretion, initiate such proceedings in accordance with the FAR Subpart 9.4.

a. The Army reserves the right to require additional protective measures or modifications of this Agreement if an independent cause for suspension or debarment should arise. Failure to

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institute such proposed measures may constitute an independent cause for debarment of RMI in accordance with FAR Subpart 9.4.

b. Suspension and/or debarment may be initiated at any time under the same facts and circumstances underlying this Agreement should further information become available that indicates such action is necessary to protect the Government's interests.

c. Upon evidence that RMI has misrepresented any aspect of its proffer in connection with this Agreement, the Army may take suspension or debarment action as appropriate. Any such misrepresentation or material breach of this Agreement will be regarded as an independent cause for debarment.

9. Survival of This Agreement. If, during the term of this Agreement, RMI establishes new companies or subsidiaries, merges with another company, or transfers the entire company or major assets to new owners, it shall notify the Army 45 days in advance of such action and provide a copy of the corporate documents. This Agreement shall inure to the benefit of, and be binding upon, the parties and their respective successors and assigns, unless the new owners request and show good cause why it should not be applicable to their operations. Bankruptcy proceedings shall not prevent or stay the enforcement of this Agreement or any debarment proceedings should the parties fail to comply with the terms of this Agreement, or engage in such other conduct that is a cause for suspension or debarment.

10. Truth and Accuracy of Submissions. RMI represents that all written materials and other information supplied to the Army by its authorized representatives during the course of discussion with the Army preceding this Agreement are true and accurate in all material respects, to the best of RMI's information and belief.

11. Violations of This Agreement. Any violation of this Agreement that is not corrected within ten days from the date of receipt of notice from the Army may constitute an independent cause for debarment. If correction is not possible within ten days, RMI shall present an acceptable plan for correction within that ten-day period. The Army may, at its sole discretion, initiate suspension or debarment proceedings in accordance with FAR Subpart 9.4 based on a violation of this Agreement. Alternatively, in the event of any noncompliance, the Army may in its sole discretion extend this Agreement for a period equal to the period of noncompliance. RMI does not, by this Agreement or otherwise, waive its right to oppose such action under FAR Subpart 9.4, or any other substantive, procedural, or due process rights it may have under the Constitution or other applicable laws or regulations of the United States.

12. Press Releases. RMI agrees that it will cooperate in good faith with the Army regarding any press release related to this Agreement. RMI will not unilaterally release any press release

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related to this Agreement without first obtaining Army approval, which the Army agrees to timely review, and not to unreasonably withhold.

13. Agreement. This Agreement constitutes the entire agreement between the Army and RMI, and supersedes all prior agreements or understandings, oral or written, with respect to the subject matter of this action.

F. ADMINISTRATION OF AGREEMENT

1. Addresses for Agreement Correspondence. All submissions required by this Agreement shall be delivered to the following addresses, or such other addresses as the parties may designate in writing.

If to the Army:

Procurement Fraud Branch
U.S. Army Legal Services Agency
ATTN: JALS-KFLD-PF (LTC Kiley)
901 North Stuart Street - Suite 700
Arlington, Virginia 22203-1837
francis.kiley@conus.army.mil

If to RMI:

Ms. Tricia A. Heller
Director of Government Regulatory Affairs
Rocky Mountain Instrument Company
106 Laser Drive
Lafayette, CO 80026
theller@rmico.com

2. Certification of Compliance. Within 90 days of the Effective Date of this Agreement, RMI will provide the Army a certification that all terms and conditions of this Agreement have been implemented or will be satisfied within the times specified in this Agreement.

3. Access to Books and Records.

a. During the term of this Agreement, the Army Procurement Fraud Branch (PFB) or any agency or office of the Federal Government designated by PFB shall have the right to examine, audit, and reproduce RMI's books, records, documents, and supporting

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materials related to any report, allegation or complaint of suspected wrongdoing, whether criminal, civil, administrative, or contractual and whether reported through the hotline program, or by any other means, and any resulting inquiries or investigations related thereto. Such hotline reports, inquiries, investigations, and all related books, records, documents and supporting material are considered by RMI to be administrative and managerial and are not investigations, books, records, documents, material, reports, or investigations protected by the attorney-client privilege or any other privilege.

b. Additionally, PFB or its designee shall have the opportunity to review any books, records, documents, materials, reports, and investigations directly related to compliance with this Agreement.

c. PFB or its designee shall also have the opportunity to interview any RMI employee for the purpose of evaluating compliance with the terms of this Agreement; compliance with Federal procurement policies, regulations, and contract terms, and maintenance of the high level of business integrity and honesty required of a Government contractor.

d. The interviews and materials described above shall be made available to PFB or its designee at RMI's offices at reasonable times. RMI's obligation under this Agreement with respect to employee interviews is limited to making its employees available for an interview at their place of employment during normal business hours. The individual employee shall have the right to determine whether or not to submit to an interview. To the extent it is permitted to do so by law, regulation, or policy, the Army shall protect RMI's confidential and proprietary business information from public disclosure.

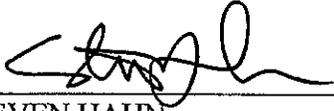
e. The materials described above shall be made available, at RMI's offices at reasonable times for inspection, audit, or reproduction. PFB or its designee shall not copy or remove RMI's technical or other proprietary data without RMI's permission.

4. Corporate Officer List. Within 30 days of the Effective Date of this Agreement, RMI shall provide the Army with a list of its directors and officers and a copy of its organizational chart, which will be updated, as changes occur.

5. Administrative Costs. Within ten days of the Effective Date of this Agreement, RMI shall deliver a check in the amount of \$5,000 to the Army, payable to "Treasurer of the United States," in order to compensate the Army for the cost of negotiating and administering this Agreement, to include costs associated with Army visits to RMI and any of its divisions or its subsidiaries authorized under this Agreement.

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6. Expiration. This Agreement shall expire at midnight not later than five years after the Effective Date of this Agreement.



STEVEN HAHN
Chief Executive Officer
Rocky Mountain Instrument Co.

6-29-2010
Date



ULDRIC L. FIORE, JR.
Army Suspension and Debarment Official

7-01-2010
Date