

APPENDIX N
AGREEMENT FOR
TRANSFER OF M&O CONTRACTOR RESPONSIBILITIES FOR THE
LAWRENCE LIVERMORE NATIONAL LABORATORY
BETWEEN
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA,
LAWRENCE LIVERMORE NATIONAL SECURITY, LLC,
AND THE UNITED STATES DEPARTMENT OF ENERGY/NATIONAL NUCLEAR
SECURITY ADMINISTRATION/LIVERMORE SITE
OFFICE

THIS TRANSFER AGREEMENT (hereinafter referred to as the "Agreement") is entered into by and between Lawrence Livermore National Security, LLC (hereinafter referred to as "LLNS"), and The Regents of the University of California (hereinafter referred to as "UC") and concurred in by the UNITED STATES OF AMERICA, acting through the Department of Energy/National Nuclear Security Administration, Livermore Site Office (hereinafter referred to as "NNSA"), represented by the undersigned NNSA Contracting Officer. NNSA, LLNS, and UC are referred to in this Agreement collectively as the Parties, and singularly as a Party.

WHEREAS NNSA and UC are parties to Contract W-7405-ENG-48 (hereinafter referred to as the UC Contract), pursuant to which UC managed and operated the Lawrence Livermore National Laboratory (LLNL), which expires at Midnight, the end of the calendar day, September 30, 2007 (hereinafter referred to as the "Transfer Date"); and,

WHEREAS NNSA and LLNS are parties to Contract No. DE-AC52-07NA27344 (hereinafter referred to as the LLNS Contract), which provides for LLNS to commence its management and operating responsibilities for LLNL at the beginning of the calendar day, October 1, 2007; and,

WHEREAS the Parties desire to facilitate an orderly transfer to LLNS of the documents, agreements, property and ongoing rights and responsibilities referred to in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and understandings contained herein the Parties agree as follows:

1. PURPOSE

The purpose of this Agreement is to ensure an orderly transfer to LLNS of management and operating contract responsibilities set out herein, currently performed by UC under the UC Contract along with documents, agreements and property. As of the Transfer Date, LLNS shall perform its responsibilities in accordance with the terms of the LLNS Contract. The Parties agree that this Agreement does not modify their respective rights, responsibilities, obligations, and duties established under either the UC Contract or the LLNS Contract, and in the event of a conflict between the terms of this Agreement and the terms of either the UC Contract, or the LLNS Contract, the terms of such contract shall prevail. To facilitate and provide for effort that may be required to complete the UC contract closeout, the Parties agree that LLNS will provide reasonable staff hours to support UC Contract closeout activities when authorized by the Contracting Officer.

2. ASSIGNMENT OF SUBCONTRACTS, PURCHASE ORDERS, AND OTHER AGREEMENTS

NNSA has directed UC to transfer and assign to LLNS, as of the Transfer Date, all of UC's obligations, rights, title and interest in and to all contractual agreements, existing as of the Transfer Date, entered into by UC under the UC Contract with entities other than the Parties. This assignment includes, but is not limited to, purchase orders, subcontracts,

memorandum purchase orders, requests for services, requests for proposals or other solicitations, Work for Other agreements, leases for real or personal property, real property licenses and easements, agreements for legal services, special disbursements, licenses for use of third party software, confidentiality or nondisclosure agreements, memorandums of understanding, and all unexpired warranties. The assignment also includes intra-university transaction agreements between LLNL and UC campuses, which assignment is effected through the execution of an NNSA-approved Master Agreement and covered tasks. LLNS hereby accepts such assignment in accordance with the terms of the LLNS Contract.

3. ASSIGNMENT AND TRANSFER OF INTELLECTUAL PROPERTY

A. NNSA has directed UC to transfer and assign to LLNS, as of the Transfer Date, all of UC's obligations, rights, title and interest in and to all intellectual property and intellectual property-related contractual arrangements, as these terms are defined below, and LLNS hereby accepts the transfer and assignment of all such rights, title, interest, and obligations.

B. The intellectual property subject to this transfer and assignment includes all intellectual property that UC has generated or acquired pursuant to the terms of the UC Contract, including but not limited to intellectual property that arises under or relates to the work scope of the UC Contract.

C. For purposes of this provision, "intellectual property" means all forms of intellectual property whatsoever, including but not limited to invention disclosures (whether or not patentable), U.S. and corresponding foreign patent applications and patents, and any registrations, divisions, continuations, continuations-in-part, reissues, reexaminations or extensions of same, technical notebooks, UC contract proprietary information of a technical nature, mask works, and software, registered and unregistered copyrights, trademarks, and service marks.

D. For purposes of this provision, “intellectual property-related contractual arrangements” includes, but is not limited to, Cooperative Research and Development Agreements (CRADA), Work-for-Others (WFO) agreements, user facility agreements, material transfer agreements, bailment agreements, proprietary information agreements (PIAs) and underlying information disclosed pursuant to such agreements, non-disclosure agreements (NDAs), licenses, option agreements, beta site agreements and early access agreements, subcontracts, including all files, records, and other information related to such intellectual property-related contractual arrangements.

E. For intellectual property identified in Attachment H to this Agreement, the Parties have made arrangements as set forth therein.

4. ASSIGNMENT AND TRANSFER OF RECORDS

A. NNSA has directed UC to transfer and assign to LLNS, as of the Transfer Date, the custody of all Records that are owned by NNSA or to which NNSA has a right of inspection or copying pursuant to the terms of the UC Contract, including but not limited to those referenced in the *OWNERSHIP OF RECORDS and ACCOUNTS, RECORDS, AND INSPECTION* clauses. UC hereby transfers title to UC owned records as described in the aforementioned clauses to LLNS, as of the Transfer Date. LLNS hereby accepts such title.

B. The Parties agree that the term “records” as used in this section 4. shall include but not be limited to all documents and information including writings, drawings, graphs, charts, photographs, microfilm or microfiche, or data compilations databases, whether stored on main or mini-frame computers, personal computers, file servers on computer networks or any other storage devices, from which information may be obtained or translated if necessary through detection devices or by other means into a reasonably useable form, in the care, custody and control of UC at LLNL, prior to the Transfer Date, which were

acquired or generated pursuant to the performance of the UC Contract. LLNS agrees to protect from disclosure those records transferred from UC that are required to be protected under the Privacy Act and other relevant law.

C. UC reserves the right to reasonable access to records which may be needed to close actions that may remain open or be opened subsequent to September 30, 2007. Each party shall provide the other parties access to NNSA records which are related to or necessary for the effective continuation of either Party's NNSA Prime Contract activities or which may be needed to close actions that may remain open or be opened subsequent to the Transfer Date, relating to UC.

D. UC reserves the right to claim privilege for records that contain UC confidential, proprietary, attorney work product, or attorney client privileged information, except that any rights of privilege that UC has in the following records are transferred, delegated or assigned to NNSA and LLNS: (1) Records related to litigation or claims, contracts, agreements, or matters transferred to LLNS under the terms of this Agreement, or (2) any confidential or proprietary information accepted by UC under Non-Disclosure Agreements (NDAs). This privilege is only intended to extend to those types of information that are of a corporate confidential nature and not otherwise related to those matters or operations transferred under the terms of this Agreement to LLNS. LLNS and UC have a common or joint interest in the prosecution or defense of any claim, and they have agreed to share otherwise privileged information under a negotiated joint defense or interest agreement (Attachment A) without breaching any attorney-client, attorney work product, or other privilege.

E. NNSA has directed LLNS, and LLNS agrees that it will provide to UC direct access to any record (as described in 4.A, 4.B, and 4.C, above.) under its control related to any matter, or thing, as soon as possible after request, and shall provide reasonable direct access to its employees and records, for interviews, depositions, hearings, etc., during regular business hours, on reasonable notice and request.

F. NNSA has directed UC, and UC agrees that it will provide to LLNS data with regard to service credit earned in UC employment by any person who becomes a LLNS employee to aid in the proper administration of LLNS pension and welfare plans.

G. NNSA acknowledges and consents to UC's removal, prior to the Transfer Date, of UC police records created or acquired under the UC Contract. Such records are in the custody of the UC Berkeley police department. UC will provide access to the government consistent with California state law.

5. TRANSFER OF CLASSIFIED DOCUMENTS & PARTS

NNSA has directed UC, and on the Transfer Date, UC shall transfer the care, custody, and control of all classified documents and classified parts as recorded in the classified documents and classified parts inventories and as required by the *CLASSIFICATION/DECLASSIFICATION* and *SECURITY* clauses of the UC Contract and applicable DOE Directives, to LLNS, and LLNS shall accept the care, custody, and control of said classified documents and classified parts in accordance with the same terms and conditions of the LLNS Contract.

6. NUCLEAR MATERIALS, PRECIOUS METALS, AND CONTROLLED SUBSTANCES TRANSFER

NNSA has directed UC, and on the Transfer Date, UC shall transfer the care, custody, and control of all nuclear materials, precious metals, and controlled substances as recorded in the nuclear materials, precious metals, and controlled substances inventories to LLNS, and LLNS shall accept the care, custody and control of said nuclear materials, precious metals, and controlled substances in accordance with the terms and conditions of the LLNS Contract.

7. FINANCIAL ADMINISTRATION

A. Payroll

(i) On behalf of UC, LLNS shall perform certain payroll services, including payment of wages, salaries and benefits for UC employees accrued but not paid as of the Transfer Date.

(a) The final pay date for UC employees is September 28, 2007, for salaries earned through September 30, 2007. For work through September 30, 2007 LLNS will process such payrolls on behalf of UC including adjustments and final payments such as vacation pay and severance pay.

(b) LLNS shall comply with all authorized payroll deductions and other withholdings, and employer contributions under applicable UC benefit plans for the purpose of making employee deductions and/or company contributions to such plans for the final pay period. Withholding of the employee-paid portion for health and welfare coverages from September 28, 2007 pay will be done by UC in accordance with agreement referenced in 10.B, (iv) below. Payment for such coverages will be coordinated by LLNS following the Transfer Date as described in the agreement referenced in 10.B, (iv) below.

(c) LLNS shall pay all payroll taxes due for the payroll period in effect as of the Transfer Date for which UC has not made payment.

(ii) (a) Internal Revenue Procedure 2004-53 (see, Internal Revenue Bulletin: 2004-34, August 23, 2004) provides for alternate procedures for filing Form W-2 under a "successor-predecessor" relationship. UC and LLNS agree to comply with Internal Revenue Procedure 2004-53, "Alternate Procedure". The Procedure requires that the predecessor employer (i.e., UC) file all Forms 941, Schedule D and related tax filings, if

any, until final wage and salary payments cease.

(b) As stated by IRS Revenue Procedure 2004-53, Alternate Procedure, UC (or its designee) will be responsible for completing and filing various Federal and State tax forms (as applicable) for wages paid and taxes withheld for UC employees until the time payments cease in 3d Quarter FY 2007. This includes payments made to all UC employees through the date of transfer as specified in item 7.A(i)(a) above and final payments to UC employees terminating on or before September 30, 2007. UC will be responsible for the following Calendar Year (CY) 2007 tax forms which will be prepared by LLNS:

- Form 941 Quarterly or Final tax reports;
- Form 940;
- Forms W-2 and related transmittals for former UC-LLNL employees;
- Forms 1099 MISC and 1099R for deceased employees and related 1096 transmittals;
- Social Security Administration (SSA) Magnetic Media; and
- All related state and local reports and tapes.

(c) LLNS agrees to provide UC with such information and documentation as needed to comply with Revenue Procedure 2004-53, and further agrees to cooperate with UC in the performance of its duties pursuant to this section 7.A(ii).

(iii) To the extent permitted under applicable Federal tax law, LLNS, as successor, will recognize employee FICA earnings and deductions and employer FICA, Federal Unemployment Tax, and State Unemployment Tax payments made by UC for UC employees who become employed by LLNS at the time of contract transition in determining FICA taxable earnings, and FICA withholding payments for the balance of the calendar year.

B. Travel

(i) LLNS shall be responsible for the processing and payment for all travel (including local travel) expenses for UC for employees who commence official travel before midnight, September 30, 2007, and who will become employees of LLNS on the Transfer Date, upon the same terms that were in effect when the travel commenced. For those former UC employees who become employees of LLNS, whose travel commences after midnight, September 30, 2007, and who have received from UC a travel advance prior to midnight, September 30, 2007, UC hereby assigns to LLNS all of its obligations, rights, title, and interest in any and all such travel advances, and LLNS hereby assumes and accepts all of UC's obligations and rights for such travel advances.

(ii) UC has certain employees on temporary duty assignments (Attachment B). LLNS agrees to continue the reimbursement upon the same terms that were in effect when the temporary duty assignment commenced, for a period of at least two (2) months. Allowability of costs for such reimbursement will be determined in accordance with the provisions of the UC Contract and UC will be responsible for any unallowable costs directly associated with the terms of the temporary assignments for up to two (2) months after the Transfer Date.

(iii) UC will transfer to LLNS all unused airline tickets obtained for official travel under the terms of the UC Contract.

C. Relocation Payments

In some cases, relocation payments have been made to UC employees. If a recipient is required to reimburse UC a portion of the relocation payment for any reason, UC hereby assigns all rights to such reimbursements of allowable costs to LLNS, and LLNS hereby accepts this assignment. For those individuals who have been identified by UC as in the process of relocating under the UC policy that will incur costs after the Transfer Date (Attachment C), those individuals will be reimbursed in accordance with policy adopted under the UC Contract and which was a part of the accepted employment offer.

D. Credits and Rebates

UC hereby assigns, and transfers to LLNS, and LLNS hereby agrees and accepts such assignment of all credits, rebates, refunds, allowances, state tax funds, and other credits, as may be due and owing UC as the result of an allowable cost under the terms of the UC Contract.

E. Accounts Receivable

As of the Transfer Date, all accounts receivable balances, including but not limited to royalties and other non-invoiced accounts, are hereby assigned and transferred to LLNS. LLNS hereby accepts the assignment and agrees to manage the transferred accounts.

F. Accounts Payable and Accruals

Payment of accounts payable and accrued expense incurred but not paid by UC as of the Transfer Date, will be made by LLNS on behalf of UC from the Letter of Credit obtained by LLNS from NNSA.

G. Year End Closing and Contingent Liabilities

Effective as of the Transfer Date, LLNS shall assume administrative responsibility for the financial activities associated with the closing of FY 2007, including preparation of all year-end closing documents, reporting and corresponding data transmissions to the NNSA and other routinely included parties. Effective as of the Transfer Date, LLNS will prepare all documents to accurately reflect balances and activities as recorded by UC for the appropriate fiscal periods. The recognition of any contingent liabilities shall be appropriately reflected in the reporting done by LLNS with the review and concurrence of UC, and NNSA will be responsible for approving any contingent responsibilities reported in applicable financial statements. The FY2007 Statement of Cost Incurred and

Claimed shall be prepared by LLNS for UC's certification (DOE Form 2001.1).

H. Credit Cards

Pursuant to the assignment of the subcontracts as set forth in Section 2, the credit card responsibilities which include accounts balances have been assigned by UC to LLNS as of the Transfer Date.

I. Endorsement of Checks and Vouchers

LLNS may endorse any check or voucher applicable to its Letter of Credit funding received as of the Transfer Date made payable to UC which were an allowable cost under the UC Contract. LLNS will use its best efforts to forward to UC non-contract related checks within three business days of receipt.

J. General Ledger Balances

As of the Transfer Date, UC will transfer all assets and liabilities account balances to LLNS less any funds allocated for UC Contract closeout. To facilitate the transfer to LLNS, NNSA will recast such UC ending account balances as LLNS beginning balances.

K. Taxes Other Than Payroll Taxes

(i) In the event there are any tax returns or reports due after the Transfer Date, LLNS shall prepare all such returns and reports, or provide such data as may be required by UC.

(ii) UC shall have access to records and UC's former employees as may be necessary to complete any tax return or report not completed prior to the Transfer Date or to respond to any Federal, state or local audit.

L. Special Bank Account Agreements and Letter of Credit

Tri Party Agreement for Transfer of Operations at LLNL

The Special Bank Account and Letter of Credit under the UC Contract will remain open for 120 days after the Transfer Date to allow outstanding items to clear. Items that have not cleared within that period will be addressed through NNSA's unclaimed monies process. UC authority to issue checks written on its Special Bank Account will terminate on the Transfer Date.

M. Audit Activities and Unallowable Costs

LLNS will conduct an allowable cost audit for Fiscal Year 2007 and support the OIG review of the FY 2006 and FY2007 statement of cost incurred and claimed. This audit will include payroll adjustments and final payments to non-transitioning UC employees made after the Transfer Date. UC will be responsible for all obligations and negotiations with NNSA associated with unallowable costs identified by internal and external audits, reviews, and assessments for costs incurred under the UC Contract or under the LLNS Contract for payments made on UC's behalf under the terms of this Agreement. LLNS will provide UC representatives with access to LLNS employees and records that UC reasonably believes are necessary prerequisites to the resolution of any items of questionable or unallowable costs in accordance with Section 4.

N. Closing Process

With respect to this Section 7, the Parties recognize that the complexity of the transfer may give rise to unforeseen conditions and that exactness in the actions is not fully determinable. The traditional use of estimates on recording accruals may potentially result in future adjustments. The Parties agree to use their best efforts to address these future actions and to achieve equitable resolution.

O. UC DRD Fund Balances

University of California-directed research and development (UCDRD) fund balances transferred from UC to LLNS are for institutional supporting research and not Work-for-Others. UCDRD will continue to receive accounting treatment consistent with the provisions relating to UCDRD of the UC Contract until expended.

8. MANAGEMENT OF LEGAL ISSUES

A. Management of Litigation and Claims

(i) Litigation and Claims.

(a) The Parties have examined pending litigation and claims and have agreed that UC will retain responsibility for the defense and resolution of the Miklosy/Messina case and shall continue to defend this litigation after the Transfer Date. LLNS shall, at all reasonable times and on reasonable notice, provide UC with access to LLNS employees and records that UC deems reasonably relevant to its defense. The costs of the aforementioned case will be provisionally reimbursed to UC as part of UC Contract closeout consistent with current Contracting Officer authorizations and in accordance with the INSURANCE-LITIGATION AND CLAIMS clause of the UC Contract. Final cost treatment and additional requests for provisional cost allowance will be determined in accordance with DEAR 931.205-47(h) of the UC Contract.

(b) For litigation and claims involving UC to which UC is a party as of the Transfer Date, LLNS shall accept a tender of defense and assume responsibility for the cost and defense of all such claims filed in any court or administrative tribunal against UC for which the costs of such defense and any settlement or judgment would be reimbursable under the UC Contract. Litigation to which UC is a party as of the Transfer Date is listed in Attachment D.

(c) For litigation and claims involving UC initiated after the Transfer Date, and which concerns events, transactions, and/or other occurrences allegedly related to, or stemming from, activities of UC performed prior to the Transfer Date and is deemed reimbursable under the UC Contract, LLNS shall accept a tender of defense and assume responsibility for the cost and defense of any claims filed in any court or administrative tribunal against UC for which the costs, of such defense and any settlement or judgment would be reimbursable under the UC Contract.

(d) In the event the costs incurred by LLNS in the defense of UC under this Section are determined to be unallowable, UC will reimburse all such costs to NNSA or as the Contracting Officer directs.

(ii) Employment/Labor Relations Matters. NNSA has directed UC, and UC hereby transfers and assigns to LLNS, effective as of the Transfer Date, all right, title, and interest in all internal administrative employment/labor relation matters, including all claims, grievances and arbitrations, the costs of which are allowable under the UC Contract, and LLNS hereby accepts such assignment in accordance with the terms of the LLNS Contract.

(iii) Employee Relations. NNSA has directed UC, and UC hereby transfers and assigns to LLNS, effective as of the Transfer Date, all right, title, and interest in all employee relations matters, the costs of which are allowable under the UC Contract, including all claims, and LLNS hereby accepts such assignment in accordance with the terms of the LLNS Contract. UC will provide LLNS access to UC-owned records in the possession of the Office the President that relate to an employee relations matter involving any UC-LLNL employee the costs of which were reimbursed to UC under the UC Contract. LLNS agrees that it will comply with any privacy restrictions attaching to such records in accordance with applicable law.

(iv) Discrimination Charges filed with External Agencies

With respect to charges of discrimination filed with an external agency or any other administrative proceeding in which the administrative tribunal does not have authority to issue negative findings and/or determinations, LLNS shall assume the right, title and interest in the defense and prosecution of such claims. LLNS recognizes that UC retains an interest in the outcome of said administrative proceeding because of the possibility of litigation of said claim, and, therefore, LLNS agrees to offer UC an opportunity to review the charge and any response thereto and to provide comments thereon.

B. Legal Defense Cooperation

(i) As pertains to this subsection, "Party" is defined as either UC or LLNS, as appropriate; the term "Parties" refers to UC and LLNS.

(ii) Each Party shall promptly notify the other's law department when it becomes aware of any claims or lawsuits that may affect the common interests of both of the Parties. In a manner so as not to interfere with performance of the work under their respective contracts with NNSA, and to the extent that cooperation would not intrude into, or significantly impede, the interests unique to each respective Party, each Party shall cooperate with the other Party in matters of legal defense, including the provision of transitioned employees as witnesses. To the extent allowed by applicable law, each Party will provide direct access to any record under its control related to any matter of a legal nature as soon as practicable after a request, and shall provide direct access to its employees for interviews, depositions, hearings, etc., during regular business hours, upon reasonable notice and request.

(iii) When it is in the mutual interest of the Parties, LLNS and UC will cooperate in obtaining resolution to claims that arose under the UC contract, but which involve employees who transition to LLNS.

C. Garnishments, Liens and Other Court Orders

For those UC employees who transfer employment to LLNS on the Transfer Date and whose salaries are subject to a garnishment or other court order, NNSA has directed UC to notify the court issuing such order that it no longer employs such employees and will provide to the court the name and address of LLNS as the employer of record for such employees.

D. Workers Compensation

UC will retain all workers compensation claims associated with UC-LLNL employees with a date of loss prior to the Transfer Date.

9. MANAGEMENT OF PERMIT AND LICENSE ISSUES

The parties agree to take all appropriate actions to accomplish a transfer to LLNS, effective as of the Transfer Date, of existing permits and permit applications, on which UC is identified as a permittee, co-operator, signatory, or applicant. Certain pending permit applications, if any, and consistent with both (i) agreements between NNSA and the regulatory agency and (ii) the LLNS Contract, will be revised to add LLNS as an applicant during the course of routine revisions prior to permit issuance. To the extent that UC retains any continuing obligation or liabilities under such permits after the Transfer Date, allowability of costs for fines and penalties will be assessed under the relevant contract under which the incident giving rise to such fine or penalty has arisen.

10. EMPLOYEE BENEFIT PLANS

A. LLNS Total Compensation Package 1 (TCP1)

NNSA has directed and UC will transfer assets and liabilities associated with the benefits of UC-LLNL employees who accept employment with LLNS and elect to participate in

the LLNS defined benefit plan from UC's defined benefit pension plan (UCRP) to the LLNS defined benefit pension under TCP1 in accordance with the UC Contract, including Appendix T thereto. The LLNS defined benefit plan will accept such assets and liabilities associated with transferring UC employees in accordance with the LLNS Contract and will provide such representations and certifications to UC as may be required to effect such transfer of assets and liabilities.

B. Health and Welfare Plans

(i) *Retiree Medical Benefits.* UC agrees to retain LLNL UCRP retirees in the UC health plans through October 31, 2007. On November 1, LLNL UCRP retirees will become members of the health plans of LLNS but UC will continue to deduct premiums from retiree pension payments and remit to LLNS from the November 1, 2007 and December 1, 2007 pension payments. UC will be reimbursed its cost of administration of the health care program for retirees after the Transfer Date by LLNS.

(ii) *Medical, Dental and Other Health and Welfare Plan Balances.* UC will transfer any medical, dental and other health and welfare plan balances, other than the Health Care Reimbursement Account and Dependent Care Reimbursement Account, for UC-LLNL employees who transfer to LLNS, the costs of which were charged to the UC Contract and which are not required to satisfy claims incurred prior to the Transfer Date.

(iii) *Health Care/Dependent Care Reimbursement Accounts (HCRA/DRCA).* The transfer of the HCRA/DCRA balances for UC-LLNL employees who are employed by LLNS effective the Transfer Date will occur as described in Attachment E that is incorporated into, and made a part of this Agreement. NNSA agrees that any loss incurred either by UC or LLNS arising from a shortfall in the HCRAs of such employees that is attributable to unfunded disbursements flexible spending accounts described in the Attachment E is an allowable cost under the UC Contract.

(iv) Payroll Withholding of Employee-Paid Portion for Health and Welfare Coverages. UC and LLNS have reached an Agreement Concerning Health and Welfare Coverages at Contract Transition (Coverages Agreement). The Coverages Agreement governs the responsibilities of the UC and LLNS with respect to withholding of the employee-paid portion for health and welfare coverages and transmission of employee and employer contributions to be applied as payment for such coverages for the months of September 2007 and October 2007. The Coverage Agreement is set forth in Attachment F that is incorporated into and made a part of this Agreement.

C. Reporting and Disclosure

UC shall be responsible for filing Form 5500 Annual Reports with the Internal Revenue Service and the Department of Labor for the Qualified Plans and Welfare Plans for the 2007 Plan Year. LLNS shall be responsible for filing all Form 5500 Annual Reports for the 2008 Plan. UC shall provide such information and assistance to LLNS as shall be required in connection with the preparation and filing of Forms 5500 for the 2008 Plan Year.

D. UC 415(m) Plan Costs

UC established a 415(m) qualified governmental excess benefit arrangement, effective January 1, 2000, to restore to University of California faculty and staff, the University of California Retirement Plan (UCRP) benefits earned but denied due to the Internal Revenue Code (IRC) §415(b) dollar limitation (415(b) limit). The 415(m) Plan is designed to pay these benefits to limited retirees.

UCRP assets cannot be used to pay benefits provided from the 415(m) Plan and such costs are not included in the minimum required contribution for LLNL Retained Segment as set forth in Appendix T to the UC Contract. Instead, the method for financing 415(m) Plan benefits involves assessments to UC operating locations on a quarterly basis.

UC will continue to make periodic assessments for former UC-LLNL employees who are participants in the 415(m) Plan as of the transition date; in the same form as such assessments are made at UC operating locations. LLNS is directed to pay the assessments to UC as an allowable cost to the LLNS Contract. This provision will be transferred by LLNS to a successor contractor.

11. TRADEMARKS

A. UC hereby grants to LLNS, for the sole purpose of performing its contract responsibilities, a non-exclusive, non-transferable, royalty-free license to use for a period consistent with Section 11.B. below, any trademarks, service marks, trade names, advertising, signs, slogans, symbols and other trade indicia of "The Regents of the University of California" or "University of California" (hereinafter collectively referred to as "Marks") being used as of the Transfer Date by UC in connection with the business activities conducted by UC under the UC Contract. LLNS shall maintain and protect said Marks as UC proprietary data in accordance with the terms and conditions of the LLNS Contract. LLNS agrees that it will not claim right, title, or interest in such Marks.

B. Notwithstanding the foregoing Section 11.A., LLNS shall use due diligence to remove, within a reasonable time, all Marks from any of the premises or properties, real, personal, or mixed, involved with the LLNS Contract except those Marks on records that are transferred to LLNS pursuant to the provisions of Section 4 of this Agreement. LLNS agrees that all items so removed shall be destroyed. It is understood and agreed that UC policy and procedure manuals, instructions and work rules may be used until reprinted, and LLNS may continue to use the internal forms containing such Marks until the supply is exhausted.

12. PROPERTY TRANSFERS

A. NNSA has directed UC, and, effective as of the Transfer Date, UC will transfer to LLNS, government-owned real and personal property for which UC is accountable by the terms of the UC contract as reflected in Attachment G, and LLNS hereby accepts such transfer as is, where is, and in accordance with the terms and conditions of the LLNS Contract.

B. NNSA acknowledges and consents to LLNS retaining custody and use of UC-owned property identified as such in the property records consistent with any conditions placed on the use of the property when it was put into use at LLNL. If LLNS determines for any reason that it cannot continue to honor any conditions affecting the use of such property, LLNS will notify UC and make such disposition of the property as UC requests at UC expense.

13. DISPOSITION OF MAIL

UC hereby authorizes LLNS to open all mail addressed to UC. All mail which contains legal notices, correspondence from courts and for counsel, services of process, pleadings, etc., that are personal to UC shall be forwarded promptly to UC's Closeout manager.

14. ENTIRE AGREEMENT

This Agreement consists of this contract document and the following Attachments:

Attachment A – Joint Defense Agreement

Attachment B – UC Employees on Temporary Duty Assignments as of Transfer Date

Attachment C – UC Hires in Process of Relocation Under UC Contract
Reimbursement Rules

Attachment D – List Litigation to be Prosecuted/Defended by LLNS

Attachment E – MOU Concerning Treatment of Flexible Spending Accounts

Attachment F – MOU Concerning Payroll Withholding of Employee-Paid Portion for
Health and Welfare Coverages

Attachment G – Personal Property Inventory Listing

Attachment H – Agreement For Management Of Chromosome Painting Portfolio
Patents Of LLNL-Origin

15. NO THIRD PARTY RIGHTS

Nothing contained in this Agreement shall be construed as creating any rights in third parties, including without limitation, any employee or former employee of UC, and no third party beneficiary rights are created or intended to be created by this Agreement.

16. SURVIVAL PROVISION

NNSA agrees that any obligation herein incurred by LLNS which is not completed by the date of the LLNS contract expiration or termination, shall be made an obligation of any successor contractor for the operation of LLNL.

17. SIGNATURES

The individuals whose signatures appear below hereby certify that they are authorized to sign on behalf of their respective Parties to this Agreement. This Agreement is effective as of the date that it is executed by all of the Parties; provided however, that no assignment or transfer of any matter covered by this Agreement shall occur until the Transfer Date.

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Tri Party Agreement for Transfer of Operations at LLNL

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

BY: _____

Sandra M. Vinson

Title: Director, Contracts and Administration

Date: 05/01/2013

LAWRENCE LIVERMORE NATIONAL SECURITY, LLC.

BY: _____

Paul E. Rosenkoetter

Title: Director, Prime Contract Management

Date: 5/2/2013

UNITED STATES OF AMERICA

DEPARTMENT OF ENRGY/NATIONAL NUCLEAR SECURITY

ADMINISTRATION

BY: _____

Ronna Promani

Title: NNSA/LFO Contracting Officer

Date: 5/2/2013