

MEMORANDUM OF AGREEMENT

By and Between

**NATIONAL DEVELOPMENT AND RESEARCH INC. ("NDRI")
and
PUBLIC EMPLOYEES FEDERATION ("PEF")
(" RESEARCH UNIT")**

This letter will confirm our discussions during negotiations for the 2009-2012 Collective Bargaining Agreement concerning the status of bargaining unit employees who are funded in whole or in part by SSIC.

NDRI agrees that grants or funding that NDRI receives through SSIC do not affect the representational status of NDRI employees. NDRI has contracted with SSIC to provide certain services. Provision of those services by NDRI employees does not affect representational status. NDRI employees who receive partial or full funding from SSIC are employees of NDRI.

PEF, AFL-CIO

By: Mami Moschel

**NATIONAL DEVELOPMENT AND
RESEARCH INC.**

By: John J. Sacke, Ph.D.

Dated: September 3, 2009

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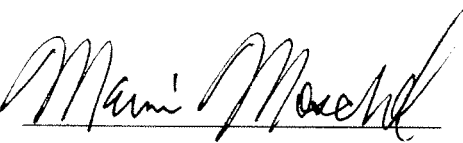
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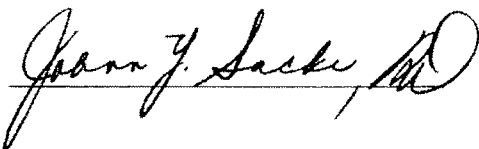
This letter will confirm our discussions during negotiations for the 2009-2012 Collective Bargaining Agreement concerning the parties' interpretation of Section 22.6 of the Agreement as follows:

Article 21 addresses recall rights, while Article 22 addresses rights to severance in the event of layoff. Section 22.6 reconciles both rights. In Section 22.6 a laid off employee, who is eligible for severance pay, who does not apply for a position or declines a position at their same rate of pay or a higher, within sixty (60) days of his or her layoff, forfeits the right to be on the recall list. If a laid off employee fails to respond three (3) times or declines three (3) times, to a posting (Sections 21.5 and 21.6) after the sixty (60) day period, then the employee is removed from the recall list.

PEF, AFL-CIO

By: 

***NATIONAL DEVELOPMENT AND
RESEARCH INC.***

By: 

Dated: September 3, 2009