

REMARK C64
01-15-98 REVISION

REQUIREMENT C64

TERMS AND CONDITIONS OF PURCHASE
BASIC TERMS AND CONDITIONS

CONTENTS

| | |
|-----|--|
| 01 | DEFINITIONS |
| 02 | TERMS AND CONDITIONS |
| 03 | DISPUTE RESOLUTION |
| 04 | PACKAGING REQUIREMENTS |
| 05 | TRANSPORTATION |
| 06 | ANTICIPATION OF DELIVERY SCHEDULE |
| 07 | DELAY AND DEFAULT |
| 08 | PURCHASER'S PROPERTY |
| 09 | CHANGES |
| 10 | SELLER'S INFORMATION |
| 11 | ASSIGNMENT |
| 12 | SET-OFF |
| 13 | WORK ON PURCHASER'S OR ITS CUSTOMER'S PREMISES |
| 14 | INSPECTION |
| 15 | RECORD RETENTION REQUIREMENTS |
| 16 | STATE SALES TAX |
| 17 | PUBLIC RELEASE OF INFORMATION |
| 18 | PARTS COMPLIANCE AND MATERIALS TEST CERTIFICATION |
| 19 | NONDISCRIMINATION IN EMPLOYMENT |
| 20 | PATENT AND COPYRIGHT INDEMNITY |
| 21 | TERMS OF SETTLEMENT |
| 22 | EXPORT AND INTERNATIONAL TRAFFIC-IN-ARMS REGULATIONS |
| 23 | ENVIRONMENTAL MATTERS |
| 24 | CLASSIFIED INFORMATION |
| 25 | TERMINATION FOR CONVENIENCE |
| 26 | PRIORITY RATINGS |
| 27 | SECURITY INTEREST |
| 28 | OFFSET REQUIREMENTS |
| 29 | CHANGES IN SCHEDULE |
| 30 | CLASS II CHANGES IN DESIGN |
| 31A | ELECTRONIC DATA INTERCHANGE) |
| 31B | UNIGRAPHICS |
| 32 | BAR CODE SHIPPING LABEL |
| 33 | DIRECT CONNECT |
| 34 | ENGINEERING DATA |
| 35 | PRODUCT SUPPORT DATA |
| 36 | FIELD SUPPORT |
| 37 | GRATUITIES |
| 38 | ACCESS TO PURCHASER'S COMPUTER SYSTEMS |
| 39 | CITIZENSHIP STATUS |
| 40 | MILLENNIUM COMPLIANCE |

APPENDICES

- I. FAR AND FAR SUPPLEMENT CLAUSES
- II. INTERNATIONAL ORDERS SUPPLEMENT
- III. EXPERIMENTAL, DEVELOPMENT OR RESEARCH WORK SUPPLEMENT
- IV. COST REIMBURSEMENT ORDERS

BASIC TERMS AND CONDITIONS

1. DEFINITIONS: AS USED THROUGHOUT THIS ORDER, THE FOLLOWING TERMS SHALL HAVE THE MEANINGS SET FORTH BELOW.

A) "PURCHASER" MEANS GENERAL ELECTRIC COMPANY OR THE AFFILIATED COMPANY THAT IS IDENTIFIED AS THE PURCHASER ON THE FACE OF THIS ORDER.

B) "GOVERNMENT" MEANS THE UNITED STATES OF AMERICA OR ANY DEPARTMENT OR AGENCY THEREOF.

C) "PRIME CONTRACT" MEANS A CONTRACT WHICH IS DEFINED BY A GOVERNMENT CONTRACT NUMBER IN THE SCHEDULE OF THIS ORDER AND UNDER WHICH THIS ORDER IS MADE.

D) "CONTRACTING OFFICER" MEANS ANY OFFICER OR CIVILIAN EMPLOYEE OF THE GOVERNMENT WHO IS PROPERLY DESIGNATED AND DULY AUTHORIZED TO ACT AS A CONTRACTING OFFICER FOR THE PRIME CONTRACT(S) UNDER WHICH THIS ORDER IS MADE. THE TERM INCLUDES THE AUTHORIZED REPRESENTATIVE OF A CONTRACTING OFFICER ACTING WITHIN THE LIMITS OF HIS AUTHORITY. THE ADDRESS OF THE CONTRACTING OFFICER WILL BE FURNISHED UPON REQUEST.

E) "SELLER" MEANS THE INDIVIDUAL, PARTNERSHIP, CORPORATION, OR ASSOCIATION CONTRACTING TO PERFORM THE WORK HEREUNDER. SYNONYMOUS WITH "SUPPLIER", "SUBCONTRACTOR", AND "OFFEROR".

F) "SUBCONTRACT", UNLESS PROVIDED OTHERWISE IN THIS ORDER, MEANS ALL CONTRACTS PLACED BY THE SELLER OR LOWER TIER SUBCONTRACTORS FOR THE SPECIFIC PURPOSE OF PERFORMING ANY PORTION OF THE WORK UNDER THIS ORDER, AND INCLUDES BUT IS NOT LIMITED TO PURCHASE ORDERS AND CHANGES, OR MODIFICATIONS THERETO.

G) "ADMINISTRATOR" MEANS THE ADMINISTRATOR OR DEPUTY ADMINISTRATOR OF THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA); THE TERM "HIS DULY AUTHORIZED REPRESENTATIVE" MEANS ANY PERSON OR PERSONS OR BOARD "OTHER THAN THE CONTRACTING OFFICER" AUTHORIZED TO ACT FOR THE ADMINISTRATOR.

H) "FAR" MEANS THE FEDERAL ACQUISITION REGULATIONS.

I) "FAR SUPPLEMENT" MEANS AUTHORIZED SUPPLEMENTS TO THE FAR, INCLUDING THE DOD FAR SUPPLEMENT (DFARS).

2. TERMS AND CONDITIONS: ONLY THE TERMS AND CONDITIONS SET FORTH IN THIS ORDER SHALL BE BINDING UPON PURCHASER. TERMS AND CONDITIONS CONTAINED IN ANY ACKNOWLEDGEMENT OF THIS ORDER, OR WITH DELIVERY OF ANY GOODS UNDER THIS ORDER, WHICH ARE DIFFERENT FROM OR IN ADDITION TO THE TERMS AND CONDITIONS OF THIS ORDER SHALL NOT BE BINDING ON PURCHASER, WHETHER OR NOT THEY WOULD MATERIALLY ALTER THIS ORDER, AND PURCHASER HEREBY OBJECTS THERETO. EITHER SELLER'S WRITTEN ACKNOWLEDGEMENT OR SELLER'S FULL OR PARTIAL PERFORMANCE UNDER THIS ORDER WILL CONSTITUTE ACCEPTANCE OF ALL TERMS AND CONDITIONS CONTAINED HEREIN.

3. DISPUTE RESOLUTION:

(A) EXCEPT AS SPECIFICALLY PROVIDED FOR IN PARAGRAPH H BELOW, THE PARTIES INTEND TO FORSAKE LITIGATION AND RESOLVE WITH FINALITY ANY AND ALL DISPUTES ARISING UNDER OR RELATED TO THIS CONTRACT EXCLUSIVELY BY THE PROCESS IDENTIFIED IN THIS ARTICLE. THIS ARTICLE SHALL REMAIN EFFECTIVE IN THE EVENT THAT A PETITION IN BANKRUPTCY IS FILED BY OR AGAINST A PARTY TO THIS CONTRACT, OR IF A PARTY MAKES AN ASSIGNMENT FOR THE BENEFIT OF CREDITORS, OR IF ANY OTHER INSOLVENCY PROCEEDING IS COMMENCED AGAINST A PARTY.

(B) ANY AND ALL DISPUTES, CONTROVERSIES OR CLAIMS ARISING UNDER OR RELATING TO THIS CONTRACT OR THE BREACH, TERMINATION OR INVALIDATION THEREOF SHALL UPON WRITTEN NOTICE, BE REFERRED TO A SENIOR MANAGEMENT REPRESENTATIVE FROM EACH OF THE PARTIES WHO WILL CONFER IN GOOD FAITH TO ATTEMPT TO RESOLVE THE MATTER. THE PARTY SENDING THE FIRST WRITTEN NOTICE (THE "INITIAL NOTICE") SHALL (1) SET FORTH IN DETAIL ALL OF ITS CLAIMS OR ISSUES IN DISPUTE AND (2) DESIGNATE ITS REPRESENTATIVE. THE OTHER PARTY SHALL HAVE 5 BUSINESS DAYS TO DESIGNATE ITS REPRESENTATIVE AND ADD ANY OTHER ISSUES OR CLAIMS FOR RESOLUTION NOT IDENTIFIED IN THE INITIAL NOTICE. THE REPRESENTATIVES SHALL HAVE 30 DAYS

FROM THE DATE OF THE INITIAL NOTICE TO RESOLVE THE ISSUES IDENTIFIED IN THE NOTICES. IF THE REPRESENTATIVES ARE UNABLE TO RESOLVE THE MATTER, EITHER PARTY MAY REFER THE MATTER TO ADMINISTERED MEDIATION, THROUGH THE CENTER FOR RESOLUTION OF DISPUTES 8 W 9TH ST, CINCINNATI OH 45202 (TEL 513-721-4466). SUCH MEDIATION SHALL BE STARTED WITHIN 30 DAYS FROM THE DATE OF REFERRAL, AND THE MEDIATION PROCESS MUST BE CONCLUDED WITHIN 30 DAYS FROM THE START DATE.

(C) IF THE DISPUTE OR CLAIM IS NOT FULLY RESOLVED PURSUANT TO PARAGRAPH B, EITHER PARTY MAY AFTER 90 DAYS, BUT NOT LATER THAN 120 DAYS FROM THE DATE OF THE INITIAL NOTICE, MAKE A WRITTEN DEMAND FOR BINDING ARBITRATION TO BE ADMINISTERED BY THE AMERICAN ARBITRATION ASSOCIATION (AAA) BY ONE ARBITRATOR IN ACCORDANCE WITH ITS COMMERCIAL ARBITRATION RULES AND JUDGMENT ON THE AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED IN ANY COURT OF COMPETENT JURISDICTION. A PARTY'S FAILURE TO MAKE A TIMELY DEMAND FOR ARBITRATION SHALL RESULT IN THE FORFEITURE OF ALL THE CLAIMS AND ISSUES THAT PARTY IDENTIFIED IN ITS WRITTEN NOTICE.

(D) THE ARBITRATION PROCEEDINGS SHALL BE CONDUCTED IN CINCINNATI, OH, AND THE CONTRACT SHALL BE INTERPRETED AND APPLIED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO NEW YORK'S CHOICE OF LAW PROVISIONS. EACH PARTY WILL BE PERMITTED TO TAKE THE DEPOSITION OF ONE INDIVIDUAL, LIMITED TO NO LONGER THAN FOUR HOURS. NO OTHER DISCOVERY SHALL BE CONDUCTED EXCEPT BY THE WRITTEN AGREEMENT OF BOTH PARTIES. ALL FEES AND EXPENSES OF THE ARBITRATION SHALL BE SHARED EQUALLY BY THE PARTIES. HOWEVER, EACH PARTY SHALL BEAR THE EXPENSE OF ITS OWN COUNSEL, EXPERTS, WITNESSES, AND PREPARATION AND PRESENTATION OF PROOFS. THE ARBITRATOR SHALL HAVE NO AUTHORITY TO AWARD PUNITIVE OR OTHER DAMAGES BEYOND THE PREVAILING PARTY'S ACTUAL DAMAGES AND SHALL NOT, IN ANY EVENT, MAKE ANY RULING, FINDING, OR AWARD THAT DOES NOT CONFORM TO THE TERMS AND CONDITIONS OF THE CONTRACT. THE ARBITRATION AWARD SHALL BE IN WRITING AND SHALL SPECIFY THE FACTUAL AND LEGAL BASIS FOR THE AWARD. THE RIGHT TO APPEAL THE AWARD SHALL BE GOVERNED BY NEW YORK LAW, AND ANY SUCH APPEAL SHALL BE BROUGHT IN A COURT OF GENERAL JURISDICTION LOCATED IN CINCINNATI, OH.

(E) EITHER PARTY MAY AT ANY TIME, WITHOUT INCONSISTENCY WITH THIS CONTRACT, SEEK FROM A COURT OF GENERAL JURISDICTION LOCATED IN CINCINNATI, OH, ANY EQUITABLE, INTERIM OR PROVISIONAL RELIEF ONLY TO AVOID IRREPARABLE INJURY.

(F) THE PARTIES INTEND ALL STATEMENTS MADE AND DOCUMENTS PROVIDED OR EXCHANGED IN CONNECTION WITH THIS DISPUTE RESOLUTION PROCESS TO BE CONFIDENTIAL AND NEITHER PARTY SHALL DISCLOSE THE EXISTENCE OR CONTENT OF THE DISPUTE OR CLAIM, OR THE RESULTS OF ANY DISPUTE RESOLUTION PROCESS, TO THIRD PARTIES OTHER THAN OUTSIDE COUNSEL, EXCEPT WITH THE PRIOR WRITTEN CONSENT OF THE OTHER PARTY OR PURSUANT TO LEGAL PROCESS.

(G) THE PARTIES MAY BY WRITTEN MUTUAL CONSENT AGREE TO DATES AND TIMES OTHER THAN THOSE SET FORTH IN THIS ARTICLE.

(H) THE PROVISIONS OF THIS ARTICLE SHALL NOT MODIFY OR DISPLACE THE PROCEDURES SPECIFIED IN ARTICLE 25, TERMINATION FOR CONVENIENCE. IN ADDITION, THIS ARTICLE SHALL NOT APPLY TO AND WILL NOT BAR LITIGATION REGARDING ANY CLAIMS RELATED TO A PARTY'S PROPRIETARY OR INTELLECTUAL PROPERTY RIGHTS.

4. PACKAGING REQUIREMENTS: NO SEPARATE CHARGES FOR BOXING AND CARTAGE WILL BE ALLOWED. SELLER SHALL BE RESPONSIBLE FOR PACKING AND PACKAGING NECESSARY TO WITHSTAND TRANSPORTATION HAZARDS AND FOR PREPARING SHIPMENTS IN ACCORDANCE WITH THE INSTRUCTIONS FURNISHED BY PURCHASER. PACKAGING REQUIREMENTS FOR SHIPMENTS ON COMMERCIAL BILLS OF LADING MUST MEET COMMERCIAL STANDARDS AND ACCEPTED PRACTICES OF THE INDUSTRY WITH FULL PROTECTION OF MATERIAL TO ULTIMATE DESTINATION AND MUST CONFORM TO GOVERNING CLASSIFICATIONS. IF THE SELLER IS DIRECTED TO SHIP TO THE U.S. GOVERNMENT, THEN THE SELLER MUST COMPLY WITH APPLICABLE MILITARY PACKAGING SPECIFICATIONS, WHICH WILL BE SUPPLIED BY GENERAL ELECTRIC. THE USE OF EXPANDED POLYSTYRENE (FOAM PEANUTS) IS PROHIBITED.

NOTE: SHELF LIFE AND SPECIAL STORAGE REQUIREMENTS MUST BE CLEARLY IDENTIFIED ON PACKAGING AND CONTAINERS.

5. TRANSPORTATION: UNLESS OTHERWISE STIPULATED ON THE FACE OF THIS ORDER, GOODS COVERED BY THIS ORDER SHALL BE SHIPPED "F.O.B. SELLER'S PLANT" AND TITLE TO SAID GOODS TO PASS TO PURCHASER ON THE TITLE PASSAGE DATE (EARLIER OF THE MANUFACTURING REQUIRED DATE OR THE USE DATE, UNLESS DELINQUENT TO THE MRD THEN PASSAGE OCCURS UPON ARRIVAL AT SPECIFIED DELIVERY LOCATION). TRANSPORTATION CHARGES ON GOODS DELIVERED FOB DESTINATION MUST BE PREPAID. NO CHARGES FOR UNAUTHORIZED TRANSPORTATION WILL BE ALLOWED. ANY UNAUTHORIZED SHIPMENT WHICH WILL RESULT IN EXCESS TRANSPORTATION CHARGES MUST BE FULLY PREPAID BY SELLER. PURCHASER CARRIES INSURANCE ON ALL MATERIAL FOR WHICH IT ACCEPTS RISK OF LOSS WHILE SUCH MATERIAL IS IN TRANSIT. THEREFORE, SELLER SHALL NOT DECLARE ANY VALUE ON SUCH MATERIAL SHIPPED VIA ANY CARRIER. SELLER SHALL RELEASE RAIL OR TRUCK SHIPMENTS AT THE LOWEST RELEASED VALUATION PERMITTED IN THE GOVERNING TARIFF OR CLASSIFICATION. IF SELLER DOES NOT COMPLY WITH THE STATED DELIVERY SCHEDULE, PURCHASER MAY, IN ADDITION TO ANY OTHER RIGHT WHICH PURCHASER MAY HAVE, REQUIRE DELIVERY BY FASTEST WAY AND CHARGES RESULTING FROM THIS MODE OF TRANSPORTATION MUST BE FULLY PREPAID AND ABSORBED BY THE SELLER.

6. ANTICIPATION OF DELIVERY SCHEDULE: UNLESS OTHERWISE AGREED IN WRITING, SELLER SHALL NOT MAKE MATERIAL COMMITMENTS OR PRODUCTION ARRANGEMENTS IN EXCESS OF THE AMOUNT OR IN ADVANCE OF THE TIME NECESSARY TO MEET THE STATED DELIVERY SCHEDULE.

7. DELAY AND DEFAULT: IN THE EVENT SELLER FOR ANY REASON ANTICIPATES ANY DIFFICULTY IN COMPLYING WITH THE REQUIRED DELIVERY DATE, OR IN MEETING ANY OF THE OTHER REQUIREMENTS OF THIS ORDER, SELLER SHALL PROMPTLY NOTIFY PURCHASER IN WRITING. IN THE EVENT OF NON-DELIVERY, BREACH, ETC. BY SELLER, PURCHASER'S RIGHTS WILL BE AS SPECIFIED IN THE UNIFORM COMMERCIAL CODE. IF PROGRESS PAYMENTS HAVE BEEN MADE UNDER THIS ORDER, AND THE ORDER IS TERMINATED FOR DEFAULT, PURCHASER SHALL HAVE THE RIGHTS OF THE US GOVERNMENT SET FORTH IN FAR 52.232-16 PROGRESS PAYMENTS, INCLUDING PARAGRAPH (H), "SPECIAL TERMS REGARDING DEFAULT". SELLER WILL NOTIFY PURCHASER AS SOON AS SELLER LEARNS OF ANY CHANGE IN OWNERSHIP OR CONTROL OF SELLER. IF, DESPITE THE OBJECTIONS OF PURCHASER, THE CHANGE SHALL OCCUR, PURCHASER WILL HAVE THE UNILATERAL RIGHT TO TERMINATE THIS AGREEMENT. IN THE EVENT OF OF ANY SUCH TERMINATION, SELLER AGREES TO RENDER FULL COOPERATION TO PURCHASER IN ORDER TO MINIMIZE DISRUPTION TO THE PURCHASER'S PROGRAM. IN LIEU OF TERMINATION, PURCHASER MAY REQUIRE SELLER TO PROVIDE ADEQUATE ASSURANCE OF PERFORMANCE, INCLUDING, BUT NOT LIMITED TO, THE INSTITUTION OF SPECIAL CONTROLS REGARDING THE PROTECTION OF PURCHASER'S PROPRIETARY INFORMATION.

8. PURCHASER'S PROPERTY:

A. ALL TOOLS, TOOL DRAWINGS, MATERIALS, DRAWINGS, COMPUTER SOFTWARE, DOCUMENTS OR DATA OF EVERY DESCRIPTION FURNISHED TO SELLER BY PURCHASER OR SPECIFICALLY PAID FOR IN WHOLE OR IN PART BY PURCHASER, AND ANY REPLACEMENT THEREOF, OR ANY MATERIALS AFFIXED OR ATTACHED THERETO, SHALL BE AND REMAIN THE PERSONAL PROPERTY OF PURCHASER, AND, UNLESS OTHERWISE AGREED TO IN WRITING BY PURCHASER SHALL BE USED BY SELLER SOLELY TO RENDER SERVICES OR PROVIDE PRODUCTS TO PURCHASER. SUCH PROPERTY, AND WHENEVER PRACTICAL EACH INDIVIDUAL ITEM THEREOF, SHALL BE PLAINLY MARKED OR OTHERWISE ADEQUATELY IDENTIFIED BY SELLER AS BEING THE PROPERTY OF GENERAL ELECTRIC, AND SHALL BE SAFELY STORED SEPARATE AND APART FROM SELLER'S PROPERTY. SELLER SHALL NOT SUBSTITUTE ANY PROPERTY FOR PURCHASER'S PROPERTY AND SHALL NOT USE SUCH PROPERTY EXCEPT IN FILLING PURCHASER'S ORDERS. SUCH PROPERTY WHILE IN SELLER'S CUSTODY OR CONTROL SHALL BE HELD AT SELLER'S RISK AND SHALL BE INSURED BY SELLER FOR REPLACEMENT COST WITH LOSS PAYABLE TO PURCHASER. SUCH PROPERTY SHALL BE SUBJECT TO REMOVAL AT PURCHASER'S WRITTEN REQUEST, IN WHICH EVENT SELLER SHALL PREPARE SUCH PROPERTY FOR SHIPMENT AND SHALL DELIVER IT AS DIRECTED BY PURCHASER IN THE SAME CONDITION AS ORIGINALLY RECEIVED BY SELLER, REASONABLE WEAR AND TEAR EXCEPTED, ALL AT SELLER'S EXPENSE. THE FOREGOING SHALL NOT BE DEEMED TO AFFECT THE RIGHTS, IF ANY, OF THE GOVERNMENT IN ANY SUCH PROPERTY OR TO GRANT ANY RIGHTS TO PURCHASER IN CONFLICT WITH DFARS 252.227-7013, RIGHTS IN TECHNICAL DATA NONCOMMERCIAL ITEMS, DFARS 252.227-7014 RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND NONCOMMERCIAL COMPUTER SOFTWARE

DOCUMENTATION, OR DFARS 52.27-7015 TECHNICAL DATA-COMMERCIAL ITEMS.B. PURCHASER HEREBY GRANTS SELLER A LICENSE TO USE THE DRAWINGS, SPECIFICATIONS (INCLUDING PURCHASER'S 'S' SPECIFICATIONS), COMPUTER SOFTWARE, AND OTHER DATA (HEREINAFTER COLLECTIVELY REFERRED TO AS "DATA") FURNISHED OR PAID FOR BY PURCHASER HEREUNDER FOR THE SOLE PURPOSE OF PERFORMING THIS ORDER FOR PURCHASER. ALL DATA IS THE PROPERTY OF PURCHASER AND SHALL NOT BE USED, DISCLOSED TO OTHERS OR REPRODUCED FOR ANY PURPOSE, INCLUDING, BUT NOT LIMITED TO, THE DESIGN, MANUFACTURE OR REPAIR OF PARTS OR TO OBTAIN FAA OR OTHER GOVERNMENT APPROVAL TO DO SO; PROVIDED; HOWEVER, SELLER MAY PROVIDE DATA FURNISHED OR PAID FOR BY PURCHASER HEREUNDER TO SELLER'S CONTRACTORS FOR THE SOLE PURPOSE OF ENABLING SELLER'S CONTRACTORS TO ASSIST SELLER IN PERFORMING THIS ORDER FOR PURCHASER AND ON CONDITION THAT SELLER'S CONTRACTORS AGREE IN WRITING FOR PURCHASER'S BENEFIT TO THE TERMS OF PARAGRAPHS 8 AND 10 HEREOF. THIS LICENSE IS NONASSIGNABLE, AND THIS LICENSE IS TERMINABLE WITH OR WITHOUT CAUSE BY PURCHASER AT ANY TIME. ALL DATA FURNISHED OR PAID FOR BY PURCHASER SHALL BE DEEMED TO BE PROPRIETARY PROPERTY TO PURCHASER, WHETHER OR NOT IT IS MARKED WITH ANY RESTRICTIVE LEGEND.

C. IF DATA IS DISCLOSED TO SELLER BY PURCHASER PURSUANT TO A PROPRIETARY INFORMATION AGREEMENT, THE PROVISIONS OF THE PROPRIETARY INFORMATION AGREEMENT WILL TAKE PRECEDENCE OVER ANY CONFLICTING PROVISIONS OF THIS ORDER UNLESS PROVIDED OTHERWISE IN THE PROPRIETARY INFORMATION AGREEMENT.

D. PURCHASER SHALL HAVE THE RIGHT TO AUDIT ALL PERTINENT BOOKS AND RECORDS OF SELLER, AND TO MAKE REASONABLE INSPECTIONS OF SELLER'S FACILITIES TO VERIFY COMPLIANCE WITH SECTION 8B ABOVE.

9. CHANGES: PURCHASER AT ANY TIME SHALL HAVE THE RIGHT TO MAKE CHANGES IN THE QUANTITIES, SPECIFICATIONS OR DELIVERY SCHEDULE. ANY SUCH CHANGE WHICH HAS A SIGNIFICANT IMPACT SHALL ENTITLE EITHER SELLER OR PURCHASER TO AN EQUITABLE ADJUSTMENT. HOWEVER, NO ADDITIONAL CHARGE WILL BE ALLOWED UNLESS AUTHORIZED BY PURCHASER'S WRITTEN AMENDMENT TO THIS ORDER.

INFORMATION, SUCH AS TECHNICAL DIRECTION OR GUIDANCE PROVIDED TO SELLER BY REPRESENTATIVES OF THE PURCHASER IN CONNECTION WITH THE SELLER'S PERFORMANCE OF THIS ORDER, SHALL NOT BE CONSTRUED EITHER AS A CHANGE WITHIN THE MEANING OF THIS PROVISION OR AS DIRECTION TO PROCEED OUTSIDE THE SCOPE OF THIS ORDER.

IF SELLER CONSIDERS THAT THE CONDUCT OF ANY OF PURCHASER'S EMPLOYEES HAS CONSTITUTED A CHANGE HEREUNDER, SELLER SHALL NOTIFY PURCHASER IMMEDIATELY IN WRITING AS TO THE NATURE OF THE CHANGE AND ITS EFFECT ON SELLER'S PERFORMANCE INCLUDING DELIVERY SCHEDULE AND THE AMOUNT TO BE PAID TO SELLER.

IN ANY EVENT, THE MAXIMUM LIABILITY OF THE PURCHASER FOR OBSOLESCENCE, SCRAPPAGE, AND/OR REWORK RESULTING FROM ANY CHANGE SHALL BE LIMITED TO THE VALUE OF THE MATERIALS AND PARTS IN PROCESS AT THE TIME OF THE CHANGE, TO THE EXTENT THAT SUCH PARTS ARE WITHIN SELLER'S NORMAL MANUFACTURING CYCLE REQUIRED TO MEET THE ESTABLISHED DELIVERY SCHEDULE.

NOTHING IN THIS CLAUSE, INCLUDING ANY DISAGREEMENT WITH PURCHASER AS TO THE EQUITABLE ADJUSTMENT TO BE MADE, SHALL EXCUSE SELLER FROM PROCEEDING WITH THE ORDER AS CHANGED.

10. SELLER'S INFORMATION: NOTWITHSTANDING ANY DOCUMENT MARKING TO THE CONTRARY, ANY KNOWLEDGE OR INFORMATION WHICH SELLER SHALL HAVE DISCLOSED OR MAY HEREAFTER DISCLOSE TO PURCHASER INCIDENT TO THE PLACING AND FILLING OF THIS ORDER SHALL NOT, UNLESS OTHERWISE SPECIFICALLY AGREED UPON IN A WRITTEN PROPRIETARY INFORMATION AGREEMENT BETWEEN THE PARTIES, BE DEEMED TO BE CONFIDENTIAL OR PROPRIETARY

INFORMATION AND ACCORDINGLY PURCHASER SHALL NOT BE LIABLE FOR ANY USE OR DISCLOSURE THEREOF (OTHER THAN LIABILITY WHICH MAY RESULT FROM A CLAIM BY SELLER FOR PATENT INFRINGEMENT BY PURCHASER).

11. ASSIGNMENT: ANY ATTEMPTED ASSIGNMENT OF THIS ORDER OR ANY INTEREST THEREIN WITHOUT WRITTEN CONSENT OF THE PURCHASER, SHALL BE VOID.

12. SET-OFF: PURCHASER SHALL BE ENTITLED TO SET OFF ANY AMOUNT OWING FROM SELLER TO ANY OF PURCHASER'S AFFILIATED COMPANIES AGAINST ANY AMOUNT PAYABLE UNDER THIS ORDER.

13. WORK ON PURCHASER'S OR ITS CUSTOMER'S PREMISES: IF SELLER'S WORK UNDER THIS ORDER INVOLVES OPERATIONS BY SELLER ON THE PREMISES OF PURCHASER OR ONE OF ITS CUSTOMERS, SELLER SHALL COMPLY WITH ALL OF PURCHASER'S SAFETY AND SECURITY PROCEDURES AND SHALL TAKE ALL NECESSARY PRECAUTIONS TO PREVENT THE OCCURRENCE OF ANY INJURY TO PERSON OR PROPERTY DURING THE PROGRESS OF SUCH WORK, AND EXCEPT TO THE EXTENT THAT ANY SUCH INJURY IS DUE TO PURCHASER'S OR ITS CUSTOMER'S NEGLIGENCE, AS THE CASE MAY BE, SHALL INDEMNIFY PURCHASER AGAINST ALL LOSSES AND COSTS WHICH MAY RESULT IN ANY WAY FROM ANY ACT OR OMISSION OF THE SELLER, ITS AGENTS, EMPLOYEES, OR SUBCONTRACTORS, AND SELLER SHALL MAINTAIN SUCH PUBLIC LIABILITY, PROPERTY DAMAGE AND EMPLOYEES LIABILITY AND COMPENSATION INSURANCE AS WILL PROTECT PURCHASER FROM SAID RISKS AND FROM ANY CLAIMS UNDER ANY APPLICABLE WORKERS' COMPENSATION AND OCCUPATIONAL DISEASE ACTS.

14. INSPECTION: ALL GOODS (WHICH TERM THROUGHOUT THIS ORDER INCLUDES, WITHOUT LIMITATION, RAW MATERIALS, COMPONENTS, INTERMEDIATE ASSEMBLIES, AND END PRODUCTS) OR SERVICES INCLUDING, BUT NOT LIMITED TO, ENGINEERING AND DESIGN/DEVELOPMENT WORK, SHALL COMPLY WITH ALL APPLICABLE SPECIFICATIONS AND SHALL BE SUBJECT TO INSPECTION AND TEST BY THE PURCHASER AND ITS CUSTOMER AT ALL TIMES AND PLACES, INCLUDING THE PERIOD OF MANUFACTURE.

IF ANY INSPECTION OR TEST IS MADE ON THE PREMISES OF SELLER OR ITS SUPPLIER, SELLER, WITHOUT ADDITIONAL CHARGE, SHALL PROVIDE ALL REASONABLE FACILITIES AND ASSISTANCE FOR THE SAFETY AND CONVENIENCE OF THE INSPECTORS IN THE PERFORMANCE OF THEIR DUTIES. ALL INSPECTIONS AND TESTS ON THE PREMISES OF SELLER OR ITS SUPPLIER SHALL BE PERFORMED IN SUCH A MANNER AS NOT TO UNDULY DELAY THE WORK.

FAILURE TO INSPECT AND ACCEPT OR REJECT GOODS OR SERVICES SHALL NEITHER RELIEVE SELLER FROM RESPONSIBILITY FOR SUCH GOODS OR SERVICES AS ARE NOT IN ACCORDANCE WITH THE ORDER REQUIREMENTS NOR IMPOSE LIABILITIES ON PURCHASER THEREFOR. THE INSPECTION OR TEST OF ANY ITEM BY PURCHASER SHALL NOT RELIEVE SELLER FROM ANY RESPONSIBILITY REGARDING DEFECTS OR OTHER FAILURES TO MEET ORDER REQUIREMENTS WHICH MAY BE DISCOVERED SUBSEQUENTLY.

FOR ENGINE COMPONENTS AND OTHER ANCILLARY COMPONENTS, SELLER SHALL PROVIDE AND MAINTAIN QUALITY CONTROL, INSPECTION, AND PROCESS CONTROL SYSTEMS ACCEPTABLE TO PURCHASER AND ITS CUSTOMER IN ACCORDANCE WITH PURCHASER'S THEN CURRENT SPECIFICATION S-1000 AND S-1002 FOR SUPPLIER QUALITY PRODUCT REQUIREMENTS, AS APPLICABLE. FOR MARINE GEARING, "SUPPLIER QUALITY REQUIREMENTS MANUAL, AEBG MARINE AND NAVAL PRODUCTS DEPT. GEAR PLANT #2 - LYNN MA 01910" SHALL APPLY. RECORDS OF ALL INSPECTION WORK BY SELLER SHALL BE KEPT COMPLETE AND AVAILABLE TO PURCHASER AND ITS CUSTOMER.

15. RECORD RETENTION REQUIREMENTS: SELLER SHALL MAINTAIN FOR FOUR (4) YEARS PURCHASE ORDER FILES FOR SUPPLIES, EQUIPMENT, MATERIAL, OR SERVICES INCLUDING SUPPORTING DOCUMENTATION AND BACK-UP FILES INCLUDING, BUT NOT LIMITED TO, INVOICES AND MEMORANDA, E.G., MEMORANDA OF NEGOTIATIONS SHOWING THE PRINCIPAL ELEMENTS OF PRICE NEGOTIATIONS. PRODUCT ACCEPTANCE RECORDS, INCLUDING INSPECTION RECORDS, MATERIAL CERTIFICATIONS, AND ACCEPTANCE TEST RECORDS, SHALL BE RETAINED IN ACCORDANCE WITH FAR SUBPART 4.7 AND PURCHASER'S THEN CURRENT SPECIFICATION S-1000 FOR ENGINE PARTS OR

"SUPPLIER QUALITY REQUIREMENTS MANUAL, AEBG MARINE AND NAVAL PRODUCTS DEPT. GEAR PLANT #2 - LYNN MA 01910" FOR MARINE GEARING.

16. STATE SALES TAX: FOR GOODS DELIVERED INTO THE STATE OF OHIO, THE DEPARTMENT OF TAXATION, STATE OF OHIO, HAS ISSUED DIRECT PAYMENT PERMIT, NUMBER 98000604, TO PURCHASER AUTHORIZING IT TO PURCHASE TANGIBLE PERSONAL PROPERTY WITHOUT PAYMENT OF TAX AT THE TIME OF PURCHASE. PURCHASER AGREES TO MAINTAIN ADEQUATE RECORDS OF ALL PURCHASES AND PAY TAX ON ALL TAXABLE ITEMS DIRECTLY TO THE TREASURER OF THE STATE OF OHIO.

17. PUBLIC RELEASE OF INFORMATION: NO PUBLIC RELEASE OF INFORMATION REGARDING THIS ORDER SHALL BE MADE WITHOUT THE PRIOR WRITTEN APPROVAL OF PURCHASER. PURCHASER'S WRITTEN APPROVAL, IF GRANTED, WILL BE SUBJECT TO ANY "ACKNOWLEDGEMENT OF SPONSORSHIP" CLAUSE IN PURCHASER'S PRIME CONTRACT.

18. PARTS COMPLIANCE AND MATERIALS TEST CERTIFICATION: BY ACCEPTANCE OF THIS ORDER, SELLER CERTIFIES THAT, EXCEPT AS SPECIFICALLY STATED TO THE CONTRARY ON CASE RECORDS PER PURCHASER'S THEN CURRENT SPECIFICATION S-1000 FOR ENGINE PARTS OR "SUPPLIER QUALITY REQUIREMENTS MANUAL, AEBG MARINE AND NAVAL PRODUCTS DEPT. GEAR PLANT #2 - LYNN MA 01910" FOR MARINE GEARING. GOODS SUPPLIED SHALL CONFORM TO ALL REQUIREMENTS OF THIS ORDER, INCLUDING REFERENCED SPECIFICATIONS IN EFFECT AS OF THE DATE OF ORDER PLACEMENT OR AS MODIFIED PURSUANT TO THE "CHANGES" CLAUSE, AND THAT OBJECTIVE EVIDENCE* OF CONFORMANCE AND SPECIFICATIONS REQUIRED BY THIS ORDER IS ON FILE AND AVAILABLE FOR EXAMINATION BY PURCHASER.

*"OBJECTIVE QUALITY EVIDENCE" SHALL MEAN ANY STATEMENT OF FACT PERTAINING TO THE QUALITY OF A PRODUCT OR SERVICE BASED ON OBSERVATIONS, MEASUREMENTS OR TESTS WHICH CAN BE FULLY VERIFIED. EVIDENCE MUST BE EXPRESSED IN TERMS OF SPECIFIC QUALITY REQUIREMENTS OR CHARACTERISTICS. THESE CHARACTERISTICS ARE IDENTIFIED IN DRAWINGS, SPECIFICATIONS, AND OTHER DOCUMENTS WHICH DESCRIBE THE ITEM, PROCESS, OR PROCEDURE.

19. NONDISCRIMINATION IN EMPLOYMENT: SELLER WILL NOT DISCRIMINATE AGAINST ANY EMPLOYEE OR APPLICANT FOR EMPLOYMENT BECAUSE OF RACE, RELIGION, COLOR, SEX, AGE, PHYSICAL HANDICAP OR NATIONAL ORIGIN. SELLER SHALL COMPLY WITH EXECUTIVE ORDER 11246, WHICH IS INCORPORATED BY REFERENCE.

20. PATENT AND COPYRIGHT INDEMNITY: SELLER SHALL HANDLE ALL CLAIMS AND DEFEND ANY SUIT OR PROCEEDING BROUGHT AGAINST PURCHASER OR ITS CUSTOMERS SO FAR AS BASED ON ANY CLAIM THAT THE MANUFACTURE OR FURNISHING OF GOODS AND/OR SERVICES UNDER THIS ORDER, OR THE USE (WITHOUT MODIFICATION OR FURTHER COMBINATION) OR SALES OF SUCH GOODS CONSTITUTES INFRINGEMENT OF ANY PATENT OR COPYRIGHT, IF NOTIFIED PROMPTLY IN WRITING AND GIVEN INFORMATION, ASSISTANCE AND SUCH AUTHORITY AS IS AFFORDED BY APPLICABLE LAWS; AND SELLER SHALL INDEMNIFY AND SAVE PURCHASER AND ITS CUSTOMERS HARMLESS FROM AND AGAINST ANY EXPENSE OR LIABILITY, INCLUDING COSTS, FEES AND DAMAGES, ARISING OUT OF SUCH CLAIM, SUIT OR PROCEEDING. IF AN INJUNCTION SHOULD ISSUE, SELLER SHALL PROCURE FOR PURCHASER AND ITS CUSTOMERS THE RIGHTS TO CONTINUE USING SAID GOODS, OR MODIFY THEM IN A MANNER ACCEPTABLE TO PURCHASER SO THEY BECOME NON-INFRINGEMENT, OR WITH THE WRITTEN APPROVAL OF PURCHASER, REMOVE SAID GOODS AND REFUND THE PURCHASE PRICE.

21. TERMS OF SETTLEMENT: FOR PURCHASE ORDERS WITH NET PAYMENT TERMS, INVOICES WILL BE SCHEDULED FOR PAYMENT 45 DAYS FROM THE LATER OF THE MANUFACTURING REQUIRED DATE (MRD) OR THE MATERIAL RECEIVED DATE. FOR PURCHASE ORDERS WITH DISCOUNT TERMS, INVOICES WILL BE SCHEDULED FOR PAYMENT 15 DAYS FROM THE LATER OF THE MRD OR THE MATERIAL RECEIVED DATE. INVOICES FOR SERVICES WILL BE SCHEDULED FOR PAYMENT BASED ON THE INVOICE DATE. WHERE DISCOUNT TERMS HAVE NOT BEEN NEGOTIATED AS PART OF THE PURCHASE

ORDER BUT ARE OFFERED ON INVOICES, PURCHASER MAY ELECT TO TAKE ADVANTAGE OF THE DISCOUNT.

FUNDING FOR INVOICES SUBJECT TO CASH DISCOUNTS WILL BE PROVIDED BY GENERAL ELECTRIC CAPITAL CORPORATION ("GE CAPITAL") UNDER THE GE ACCELERATED PAYMENT PROGRAM. UNDER THIS PROGRAM (1) TITLE TO THE GOODS SHALL PASS DIRECTLY TO GE CAPITAL CONSISTENT WITH SECTION 5 ABOVE, (2) ONCE TITLE TO THE GOODS HAS PASSED TO GE CAPITAL, GE CAPITAL WILL IMMEDIATELY AND DIRECTLY TRANSFER TITLE TO GE, AND (3) ANY AND ALL OF THE OBLIGATIONS, INCLUDING REPRESENTATIONS AND WARRANTIES, SUPPLIER HAS PROVIDED WITH RESPECT TO THE GOODS AND/OR SERVICES SHALL BE RETAINED BY GE AND GE MAY RELY UPON THE SAME.

22. EXPORT AND INTERNATIONAL TRAFFIC-IN-ARMS REGULATIONS: SELLER AGREES TO COMPLY WITH ALL EXPORT REGULATIONS AND THE INTERNATIONAL TRAFFIC-IN-ARMS REGULATIONS (ITAR) INCLUDING, BUT NOT LIMITED TO, PARTS 122 ENTITLED "REGISTRATION OF MANUFACTURER AND EXPORTER" AND 130 ENTITLED "POLITICAL CONTRIBUTIONS, FEES AND COMMISSIONS."

WITH RESPECT TO DEFENSE ARTICLES AND SERVICES FURNISHED HEREUNDER, SELLER CERTIFIES THAT IT HAS NOT PAID, OFFERED OR AGREED TO PAY, AND AGREES THAT IT SHALL NOT PAY, OFFER OR AGREE TO PAY, FOR THE PURPOSE OF SOLICITING, PROMOTING OR OTHERWISE TO SECURE THE SALE OF DEFENSE ARTICLES AND SERVICES TO OR FOR THE USE OF THE ARMED FORCES OF AN INTERNATIONAL ORGANIZATION OR NON-U.S. COUNTRY, ANY (I) FEES OR COMMISSIONS IN EXCESS OF \$1,000 OR (II) POLITICAL CONTRIBUTION (INCLUDING ANY GIFT, REBATE OR PAYMENT OF EXPENSES) TO A NON-U.S. PERSON OR ENTITY.

23. ENVIRONMENTAL MATTERS:

A. HAZARDOUS SUBSTANCES. SELLER WARRANTS THAT EXCEPT AS SPECIFIED ON THE FACE OF THE ORDER, NONE OF THE CHEMICAL SUBSTANCES CONSTITUTING OR CONTAINED IN THE PRODUCT(S) SOLD OR OTHERWISE TRANSFERRED TO PURCHASER UNDER THIS ORDER ARE "HAZARDOUS SUBSTANCES" AS DEFINED IN THE COMPREHENSIVE, ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT (CERCLA), AND SELLER AGREES TO SUPPLY PURCHASER WITH ANY AND ALL REQUIRED MATERIAL DATA SAFETY SHEETS.

B. ASBESTOS. SELLER AGREES TO PROVIDE PRODUCTS WHICH ARE FREE OF ASBESTOS UNLESS SELLER HAS NOTIFIED PURCHASER IN ADVANCE AND HAS OBTAINED PURCHASER'S PRIOR WRITTEN CONSENT TO THE USE OF ASBESTOS. SELLER AGREES TO INCLUDE THIS CLAUSE IN ANY SUBCONTRACTS ISSUED HEREUNDER. IF SELLER INTENDS TO RELY UPON ANY DRAWING WHICH REQUIRES OR PERMITS THE USE OF ASBESTOS, WRITTEN NOTICE TO, AND APPROVAL BY, THE COGNIZANT BUYER MUST BE OBTAINED PRIOR TO SUCH USE.

C. USE OF CADMIUM. UNLESS SPECIFICALLY DEFINED AS A REQUIREMENT BY GEAE ENGINEERING DRAWINGS OR SPECIFICATIONS, THE USE OF CADMIUM PLATING OR NICKEL CADMIUM PLATING IS STRICTLY PROHIBITED IN THE MANUFACTURE OF THIS PRODUCT. THE USE OF CADMIUM PLATING OR NICKEL CADMIUM PLATING IS STRICTLY PROHIBITED ON ALL TOOLING, FIXTURING, AND TEST EQUIPMENT THAT IS USED FOR MANUFACTURING, ASSEMBLY, TEST, OR MATERIAL HANDLING OF THE PRODUCT UNLESS SELLER HAS NOTIFIED PURCHASER IN ADVANCE AND HAS OBTAINED ITS PRIOR WRITTEN CONSENT TO SUCH USE. APPROVAL SHALL NOT BE GRANTED WHERE THERE IS A POTENTIAL FOR SELLER'S PRODUCT TO COME INTO CONTACT WITH TITANIUM CONTAINING ITEMS.

D. OZONE DEPLETING SUBSTANCES("ODS'S"). SUPPLIER AGREES TO COMPLY WITH THE U.S. CLEAN AIR ACT AMENDMENTS OF 1990 REGARDING WARNING STATEMENTS ON PRODUCTS MANUFACTURED WITH ODS'S, PRODUCTS CONTAINING ODS'S, AND CONTAINERS CONTAINING ODS'S. THE NEED FOR WARNING STATEMENTS, THE SPECIFIC WORDING OF STATEMENTS, AND THE PLACEMENT OF STATEMENTS SHALL BE IN ACCORD WITH REQUIREMENTS OF THE U.S. ENVIRONMENTAL PROTECTION AGENCY IMPLEMENTING REGULATIONS. ANY USAGE OF CLASS I ODS'S IS SUBJECT TO EVALUATION AND APPROVAL OF PURCHASER OR THE U.S. GOVERNMENT. FOR PURCHASES OF MATERIALS TO BE SUPPLIED TO THE U.S. GOVERNMENT, SELLER SHALL ALSO COMPLY WITH ANY LABELING REQUIREMENTS ARISING UNDER THE FEDERAL ACQUISITION REGULATION (FAR).

SUPPLIER WILL ELIMINATE THE USE OF CLASS I ODS'S TO THE MAXIMUM EXTENT POSSIBLE. ANY USAGE OF CLASS I ODS'S WHICH CANNOT BE ELIMINATED IS SUBJECT TO EVALUATION AND APPROVAL BY THE PURCHASER OR THE U.S. GOVERNMENT. SUPPLIER WILL NOTIFY PURCHASER OF ANY SUCH USE OF CLASS I ODS'S WHICH CANNOT BE ELIMINATED AND WILL PROVIDE PURCHASER WITH ANY REQUESTED INFORMATION WHICH MAY BE REQUIRED IN ORDER TO COMPLETE THE EVALUATION AND APPROVAL OF THE CONTINUED USAGE.

E. REPRESENTATIONS AND WARRANTIES. SELLER REPRESENTS AND WARRANTS THAT IT SHALL PERFORM ALL ACTIVITIES RELATED TO ITS MANUFACTURING PROCESSES IN COMPLIANCE WITH ALL APPLICABLE FEDERAL, STATE AND LOCAL ENVIRONMENTAL, HEALTH AND SAFETY LAWS AND REGULATIONS.

SELLER REPRESENTS AND WARRANTS THAT IT WILL USE BEST EFFORTS TO PREVENT AND MINIMIZE ACCIDENTAL RELEASES OF HAZARDOUS SUBSTANCES OR CONSTITUENTS TO THE ENVIRONMENT, AS WELL AS PREVENT AND MINIMIZE RISK OF ENDANGERMENT TO HUMAN HEALTH OR THE ENVIRONMENT FROM ANY MANUFACTURING PROCESS.

SELLER REPRESENTS AND WARRANTS THAT IN THE EVENT OF A RELEASE OR SPILL, IT WILL USE BEST EFFORTS TO MITIGATE ACTUAL OR POTENTIAL IMPACTS TO THE ENVIRONMENT OR HUMAN HEALTH.

F. ENVIRONMENTAL CLAIMS. SELLER AGREES TO INDEMNIFY, RELEASE, DEFEND AND HOLD HARMLESS PURCHASER, ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, SUCCESSORS AND ASSIGNS, WHETHER ACTING IN THE COURSE OF THEIR EMPLOYMENT OR OTHERWISE, AGAINST ANY AND ALL SUITS, ACTIONS, OR PROCEEDINGS, AT LAW OR IN EQUITY, AND FROM ANY AND ALL CLAIMS, DEMANDS, LOSSES, JUDGMENTS, DAMAGES, COSTS, EXPENSES, OR LIABILITIES RESULTING FROM: (1) DEATH OR INJURY TO ANY PERSON, INCLUDING OFFICERS AND EMPLOYEES OF SELLER AND THOSE OF PURCHASER, ARISING OUT OF OR IN ANY WAY CONNECTED WITH SELLER'S FAILURE TO COMPLY WITH THIS ARTICLE 23, (2) DAMAGE TO ANY PROPERTY, REAL OR PERSONAL, INCLUDING PROPERTY OF SELLER AND THAT OF PURCHASER, ARISING OUT OF OR IN ANY WAY CONNECTED WITH SELLER'S FAILURE TO COMPLY WITH THIS ARTICLE 23, (3) ANY AND ALL PRE-EXISTING CONDITIONS OF REAL OR PERSONAL PROPERTY OF SELLER, OR (4) ANY FAILURE TO COMPLY WITH ANY FEDERAL (INCLUDING FAR/DFAR CLAUSES), STATE OR LOCAL ENVIRONMENTAL, HEALTH, OR SAFETY REQUIREMENTS. SELLER AGREES TO INCLUDE THIS CLAUSE IN ANY SUBCONTRACTS ISSUED HEREUNDER.

G. MATERIAL OWNERSHIP. SELLER AND PURCHASER AGREE THAT AT ALL TIMES PRIOR TO DELIVERY AND ACCEPTANCE BY PURCHASER OF THE GOODS, ALL RAW MATERIALS, WASTES AND WORK-IN-PROGRESS SHALL REMAIN THE PROPERTY OF SELLER, EXCEPT AS OTHERWISE PROVIDED HEREIN.

H. WASTE MANAGEMENT. SELLER SHALL BE DIRECTLY AND SOLELY RESPONSIBLE FOR MANAGING ALL WASTES ASSOCIATED WITH ITS MANUFACTURING PROCESS. SELLER SHALL MANAGE ANY AND ALL SUCH WASTES IN COMPLIANCE WITH APPLICABLE FEDERAL, STATE AND LOCAL LAWS AND REGULATIONS.

I. WASTE DISPOSAL CERTIFICATIONS. SELLER AGREES TO GENERATE AND MAINTAIN DETAILED RECORDS CERTIFYING THE PROPER DISPOSAL OF ALL WASTES ASSOCIATED WITH ITS MANUFACTURING PROCESS, INCLUDING WASTES GENERATED FROM THE REMEDIATION OR CLEANUP OF ANY RELEASES, LEAKS OR SPILLS. SUCH RECORDS WILL INCLUDE THE NAMES AND ADDRESSES OF ANY TREATMENT, STORAGE OR DISPOSAL FACILITY RECEIVING SUCH WASTES, THE AMOUNT OF WASTE RECEIVED, AND THE DATES OF SHIPMENT AND RECEIPT. SELLER SHALL MAINTAIN ALL RECORDS RELATING TO ENVIRONMENTAL COMPLIANCE AND WASTE DISPOSAL.

J. PROCESS FLOW DIAGRAM AND MATERIAL BALANCE. WHERE SELLER IS RELYING UPON GE ENGINEERING DRAWINGS TO PROVIDE PRODUCTS, UPON REQUEST BY PURCHASER, SELLER AGREES TO MAKE AVAILABLE TO PURCHASER DETAILED PROCESS FLOW DIAGRAM FOR ITS MANUFACTURING

PROCESSES, IDENTIFYING UNIT QUANTITIES OF RAW MATERIAL AND ASSOCIATED WASTE. THE PROCESS FLOW DIAGRAM WILL CONTAIN A MATERIAL BALANCE FOR THE PROCESSES AND WILL INDICATE THE ULTIMATE FATE OF EACH RAW MATERIAL OR ASSOCIATED WASTE.

K. NOTIFICATION OF SIGNIFICANT EVENTS. SELLER AGREES TO NOTIFY PURCHASER IN WRITING WITHIN FIVE DAYS AFTER LEARNING OF ANY SIGNIFICANT EVENT INVOLVING ANY OF ITS MANUFACTURING PROCESSES THAT MAY AFFECT SELLER'S ABILITY TO COMPLY WITH ITS OBLIGATIONS UNDER THIS PURCHASE ORDER, INCLUDING BUT NOT LIMITED TO, ANY SPILL, LEAK OR RELEASE TO THE ENVIRONMENT WHICH ALSO REQUIRES NOTIFICATION TO A STATE OR FEDERAL AGENCY, INCLUDING, BUT NOT LIMITED TO: (A) THE DATE OF RELEASE; (B) THE QUANTITY AND TYPE OF MATERIAL RELEASED; (C) EFFORTS TO CLEAN UP THE MATERIAL RELEASED; AND (D) EFFORTS TO MITIGATE IMPACTS FROM THE RELEASE. NOTICES SHALL BE PROVIDED TO GENERAL ELECTRIC, GROUP ENVIRONMENTAL AFFAIRS & SAFETY, ONE NEUMANN WAY, M/D T165, CINCINNATI OH 45215, PHONE: (513) 672-3982.

L. HAZARDOUS MATERIAL IDENTIFICATION. SELLER SHALL IDENTIFY HAZARDOUS MATERIALS CONTAINED IN ITEMS DELIVERED TO PURCHASER, PROVIDE MATERIAL SAFETY DATA SHEETS (MSDS) FOR SUCH ITEMS, AND, WHERE APPLICABLE, COMPLY WITH THE OSHA HAZARD COMMUNICATION STANDARD, 29 CFR 1910.1200 ("HAZCOM"). FOR EACH SUCH MATERIAL, IDENTIFICATION SHALL REFERENCE THE STOCK OR PART NUMBER OF THE DELIVERED ITEM. HAZARDOUS MATERIALS INCLUDE, BUT ARE NOT LIMITED TO, MATERIALS EMBEDDED IN A DELIVERED PRODUCT IN SUCH A MANNER AS TO PRESENT A POTENTIAL FOR PERSONAL INJURY OR HARM OR PROPERTY DAMAGE IN THE COURSE OF NORMAL USE, REPAIR, ACCIDENTS OR DISPOSAL. ALL MSDS FORMS AND HAZARD WARNING LABELS REQUIRED UNDER THIS SECTION AND HAZCOM SHALL BE PROVIDED TO GENERAL ELECTRIC, GROUP ENVIRONMENTAL AFFAIRS & SAFETY, ONE NEUMANN WAY, M/D T165, CINCINNATI, OH 45215.

M. SELLER COMPETENCE. SELLER REPRESENTS AND WARRANTS THAT IT POSSESSES THE FACILITIES SKILLS, KNOWLEDGE AND EXPERTISE TO HANDLE AND PROVIDE THE PRODUCTS AND/OR SERVICES SPECIFIED HEREIN IN A SAFE AND RESPONSIBLE MANNER, AND THAT ALL PERSONS, INCLUDING ANY SUBCONTRACTORS, INVOLVED IN HANDLING ANY MATERIALS PROCESSED OR PROVIDED FOR UNDER THIS AGREEMENT WILL BE SHOWN ANY MSDS ASSOCIATED WITH SUCH MATERIALS AND BE ADVISED OF ITS SAFE AND PROPER USE AND HANDLING.

24. CLASSIFIED INFORMATION: UPON COMPLETION OF WORK BY SELLER UNDER THIS ORDER, SELLER SHALL RETURN TO PURCHASER ALL CLASSIFIED INFORMATION FURNISHED BY PURCHASER IN CONNECTION HERewith, INCLUDING ALL REPRODUCTIONS THEREOF, THEN IN SELLER'S POSSESSION OR CONTROL, AND SELLER SHALL SURRENDER CLASSIFIED INFORMATION OR MATERIALS DEVELOPED BY SELLER IN CONNECTION WITH THIS ORDER, UNLESS THE INFORMATION HAS BEEN DESTROYED OR THE RETENTION OF THE INFORMATION IS AUTHORIZED IN WRITING BY PURCHASER OR THE GOVERNMENT.

25. TERMINATION FOR CONVENIENCE: THE SELLER AGREES TO WAIVE ANY CLAIM WHEN A REDUCTION IN THE QUANTITY ON ORDER HAS AN ORDER VALUE WHICH IS UNDER \$1,000.00.

WHEN A CHANGE IN REQUIREMENTS RESULTS IN A QUANTITY REDUCTION THOSE QUANTITIES WILL BE DELETED FROM THE PART SCHEDULES REPORT ON THE BASIS THAT ANY QUANTITY WITH INCURRED COST WILL BE CONSUMED BY FUTURE RELEASES. SHOULD THE QUANTITY WITH INCURRED COST NOT BE CONSUMED, THIS ARTICLE APPLIES.

THE PURCHASER, BY WRITTEN NOTICE, MAY TERMINATE THIS ORDER, IN WHOLE OR IN PART, WHEN IT IS IN THE PURCHASER'S INTEREST TO DO SO. THE PURCHASER SHALL TERMINATE BY DELIVERY TO THE SELLER OF A NOTICE OF TERMINATION SPECIFYING THE EXTENT OF TERMINATION AND THE EFFECTIVE DATE.

AFTER RECEIPT OF A NOTICE OF TERMINATION, AND EXCEPT AS DIRECTED BY THE PURCHASER, THE SELLER SHALL IMMEDIATELY: (1) STOP WORK AS DIRECTED IN THE NOTICE; (2) PLACE NO FURTHER SUBCONTRACTS OR ORDERS FOR MATERIALS, SERVICES, OR FACILITIES, EXCEPT AS NECESSARY TO COMPLETE THE CONTINUED PORTION OF THE ORDER; AND (3) TERMINATE ALL SUBCONTRACTS TO THE EXTENT THEY RELATE TO WORK TERMINATED. AFTER TERMINATION, THE SELLER SHALL SUBMIT A FINAL TERMINATION SETTLEMENT TO THE PURCHASER IN THE FORM AND IN THE MANNER PRESCRIBED BY THE PURCHASER, AND IN ACCORDANCE WITH APPLICABLE PORTIONS OF SUBPARTS 49.1, 49.2 AND 49.3 OF THE FEDERAL ACQUISITION REGULATIONS (FAR).

26. PRIORITY RATINGS: WHEN A PRIORITY RATING IS SPECIFIED FOR AN ITEM, THIS IS A RATED ORDER CERTIFIED FOR NATIONAL DEFENSE USE AND SELLER IS REQUIRED TO FOLLOW ALL PROVISIONS OF THE DEFENSE PRIORITIES AND ALLOCATIONS SYSTEM (DPAS) REGULATIONS (15 CFR 700).

27. SECURITY INTEREST: IN THE EVENT ITEMS WILL BE BAILED TO THE SELLER OR PROGRESS PAYMENTS WILL BE MADE, THE SELLER HEREBY GRANTS PURCHASER A SECURITY INTEREST IN EQUIPMENT, MACHINERY, CONTRACT RIGHTS, INVENTORY, GOODS, MERCHANDISE AND RAW MATERIALS, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND ANY REPLACEMENTS, IMPROVEMENTS, SUBSTITUTIONS, ATTACHMENTS, ACCESSORIES AND ACCESSIONS THERETO OR THEREON PROVIDED BY PURCHASER OR PURCHASED BY SELLER WITH PROGRESS PAYMENTS OR ADVANCES MADE BY PURCHASER AND TO BE USED BY SELLER IN MANUFACTURING PRODUCTS ORDERED BY PURCHASER UNDER THIS ORDER. SELLER AGREES TO EXECUTE AND DELIVER ALL DOCUMENTS REQUESTED BY PURCHASER TO PROTECT AND MAINTAIN PURCHASER'S SECURITY INTEREST.

28. OFFSET REQUIREMENTS: THE SELLER RECOGNIZES, AS PART OF THIS AGREEMENT, THAT THE PURCHASER MAY INCUR INTERNATIONAL OFFSET AND/OR REVENUE SHARING OBLIGATIONS WHICH COULD INVOLVE PARTS PLACED UNDER THIS ORDER. SHOULD ANY QUANTITY OF A PART OR PARTS PLACED HEREUNDER BECOME NECESSARY TO SUPPORT SUCH AGREEMENTS DURING THE TERM OF THIS ORDER, PURCHASER RESERVES THE RIGHT TO REMOVE THAT PORTION FROM THIS CONTRACT. ANY ADJUSTMENT IN FORECASTED OR FIRM QUANTITIES WILL BE PURSUANT TO THE CHANGES CLAUSE. NO ADJUSTMENT IN FIRM RELEASED QUANTITY OR SCHEDULES WILL BE MADE WITHIN A TWELVE (12) MONTH DELIVERY PERIOD AFTER NOTIFICATION OR LEAD TIME AWAY, WHICHEVER IS LONGER, AS A RESULT OF THIS CLAUSE.

29. CHANGES IN SCHEDULE: CHANGES IN THE PURCHASE ORDER SCHEDULE WILL BE COMMUNICATED TO THE SUPPLIER VIA THE PART SCHEDULES REPORT WHICH WILL BE MAILED TO THE SUPPLIER PERIODICALLY (OR TRANSMITTED VIA EDI). THE PART SCHEDULES REPORT MAY REFLECT BOTH FIRM RELEASE AND FORECASTED QUANTITIES. UNLESS SPECIFICALLY STATED OTHERWISE IN WRITING IN THIS ORDER, IN NO EVENT WILL PURCHASER BE LIABLE FOR ANY COSTS INCURRED BY THE SUPPLIER AGAINST FORECASTED QUANTITIES IN ANTICIPATION OF RECEIVING FIRM RELEASE ORDERS.

30. CLASS II CHANGES IN DESIGN: CLASS II ENGINEERING CHANGES NOT RESULTING IN A PART NUMBER CHANGE WILL BE FLOWED TO THE SUPPLIER VIA THE CLASS II DESIGN CHANGE TRANSMITTAL LETTER AS CHANGES OCCUR. THE CLASS II DESIGN CHANGE TRANSMITTAL LETTER WILL CONTAIN INCORPORATION/EXCEPTION DIRECTIONS.

31A. EDI (ELECTRONIC DATA INTERCHANGE): SUPPLIER AGREES TO TAKE REASONABLE ACTION TO BECOME AN EDI (ELECTRONIC DATA INTERCHANGE) TRADING PARTNER WITH PURCHASER. UPON PURCHASER'S REQUEST, SUPPLIER SHALL SIGN AN EDI TRADING PARTNER AGREEMENT WITH PURCHASER WITHIN 15 DAYS FROM REQUEST DATE. FOLLOWING SUCH AGREEMENT, THE PARTIES SHALL ESTABLISH AN IMPLEMENTATION SCHEDULE WHICH SHALL CALL FOR ACTIVE EDI COMMUNICATION CAPABILITY WITHIN 45 DAYS FROM THE EDI TRADING PARTNER AGREEMENT.

31B. UNIGRAPHICS: SUPPLIER AGREES TO TAKE REASONABLE ACTION TO ESTABLISH CAD/CAM (COMPUTER AIDED DESIGN/COMPUTER AIDED MANUFACTURE) CAPABILITIES, SPECIFICALLY

UTILIZING EDS/UNIGRAPHICS SOFTWARE/ STANDARDS. UPON PURCHASER'S REQUEST, SUPPLIER SHALL IMPLEMENT REQUIRED PLANS AND ACTIVITIES TO FACILITATE THE DESIGN, INSPECTION, PROCESSING, AND/OR MANUFACTURE OF GENERAL ELECTRIC PRODUCTS OR SERVICES UTILIZING EDS/UNIGRAPHICS SOFTWARE/STANDARDS. WITHIN 30 DAYS FOLLOWING PURCHASER'S REQUEST, SUPPLIER WILL ADVISE PURCHASER OF ITS PLAN TO ESTABLISH ACTIVE UNIGRAPHICS CAPABILITIES INCLUDING MILESTONES WHICH WILL PROVIDE PURCHASER WITH A CLEAR UNDERSTANDING OF THE TIME FRAME INVOLVED.

32. BAR CODE SHIPPING LABEL: UPON PURCHASER'S REQUEST, ALL SHIPMENT CONTAINERS FOR GOODS AND PRODUCTS TO BE DELIVERED HEREUNDER SHALL BE LABELED IN ACCORDANCE WITH PURCHASER'S BAR CODE SHIPPING LABEL INSTRUCTIONS. THE SUPPLIER SHALL SUBMIT EXAMPLE LABELS FOR APPROVAL WITHIN 60 DAYS OF SAID REQUEST. THE SUPPLIER SHALL DESIGNATE AN INDIVIDUAL RESPONSIBLE FOR COMPLIANCE TO SAID INSTRUCTIONS AND SHALL ACT AS THE SUPPLIER'S CONTACT FOR ISSUES CONCERNING BAR CODE LABELS.

33. DIRECT CONNECT: UPON PURCHASER'S REQUEST, SELLER SHALL WORK WITH PURCHASER TO IMPLEMENT PULL PRODUCTION, BIN STOCKING AND/OR KITTING ON HARDWARE SUPPLIED BY SELLER. SELLER SHALL ASSURE TIMELY IMPLEMENTATION OF EDI TRANSACTIONS REQUIRED TO EFFECTIVELY SUPPORT THE DIRECT CONNECT PROCESSES. FOR PULL PRODUCTION AND BIN STOCKING, SELLER MUST COMMIT TO AN AGREED UPON "SHIP TRIGGER RESPONSE TIME" (I.E., TIME FROM RECEIPT OF SHIPMENT AUTHORIZATION TO ACTUAL SHIPMENTS OF HARDWARE). IF THE SELLER IS UNABLE TO MEET THE COMMITTED RESPONSE TIME, SELLER SHALL IMMEDIATELY NOTIFY PURCHASER IN ADVANCE FOR PROPER RECONCILIATION.

34. ENGINEERING DATA:

A. SELLER AGREES TO FURNISH TO PURCHASER, AT PURCHASER'S REQUEST AND AT NO ADDITIONAL COST TO PURCHASER, A COMPLETE SET OF ENGINEERING DATA INCLUDING DRAWINGS, SPECIFICATIONS AND MANUFACTURING PROCESS INFORMATION, RESULTING FROM PERFORMANCE BY SELLER UNDER THIS ORDER, OR USED OR TO BE USED BY SELLER IN THE MANUFACTURE OF THE GOODS TO BE FURNISHED OR IN THE PROVISION OF SERVICES UNDER THIS ORDER AND TO KEEP SUCH DATA CURRENT.

B. (APPLICABLE ONLY IF THIS ORDER IS FOR GOODS DESIGNED BY SELLER). SELLER GRANTS TO PURCHASER THE RIGHT TO USE THE INFORMATION TO BE FURNISHED TO PURCHASER UNDER CLAUSE 34A, ABOVE, TO MANUFACTURE OR PURCHASE FROM A THIRD PARTY THE GOODS COVERED BY THIS ORDER IN THE EVENT THAT SELLER IS UNABLE TO MEET PURCHASER ORDER DELIVERY SCHEDULES (OR ANY AGREED UPON EXTENSION THEREOF) OR IN THE EVENT SELLER CEASES TO MANUFACTURE GOODS OF THE TYPE TO BE FURNISHED HEREUNDER.

35. PRODUCT SUPPORT DATA:

A. IF REQUESTED BY PURCHASER AND PROVIDED THEY HAVE NOT PREVIOUSLY BEEN FURNISHED, SELLER AGREES TO FURNISH TO PURCHASER MAINTENANCE AND OVERHAUL MANUALS, INCLUDING A PARTS CATALOGUE, DESCRIBING THE MAINTENANCE AND OVERHAUL OF GOODS TO BE FURNISHED UNDER THIS ORDER, AND TO KEEP SUCH MANUALS CURRENT, ALL AT NO ADDITIONAL COST TO PURCHASER. THE FORMAT OF SUCH MANUALS SHALL BE IN ACCORDANCE WITH ATA SPECIFICATIONS 100, 101, AND 200 FOR ENGINE RELATED PURCHASES OR INSTRUCTIONS CONTAINED IN THE ORDER DATA FOR MARINE GEARING RELATED PURCHASES. INDIVIDUAL PAGES, WHETHER ORIGINAL OR REVISED, SHALL BE FURNISHED IN THE FORM EITHER OF ONE PHOTOGRAPHIC NEGATIVE OR TWO REPRODUCIBLES THAT ARE CONVERTIBLE TO MICROFILM OR SIMILAR PROCESS.

B. IF REQUESTED BY PURCHASER, SELLER AGREES TO PROVIDE TO PURCHASER PROVISIONING DATA IN ACCORDANCE WITH ATA SPECIFICATION 200 AND TO KEEP SUCH DATA CURRENT, ALL AT NO ADDITIONAL COST TO PURCHASER.

C. IF REQUESTED BY PURCHASER, SELLER AGREES TO PROVIDE TO PURCHASER ALL DRAWINGS AND SPECIFICATIONS, DEFINING TOOLS, FIXTURES, SPECIAL TEST EQUIPMENT AND MATERIALS

REQUIRED FOR THE SUPPORT, SERVICE AND OVERHAUL OF THE GOODS TO BE FURNISHED UNDER THIS ORDER AND TO KEEP SUCH DATA CURRENT, ALL AT NO ADDITIONAL COST TO PURCHASER.

D. SPECIFICATIONS IDENTIFIED ABOVE MAY BE OBTAINED FROM:

AIR TRANSPORT ASSOCIATION OF AMERICA
1000 CONNECTICUT AVE
WASHINGTON DC 20036

36. FIELD SUPPORT: FOR GOODS ORDERED HEREUNDER OF SELLER'S DESIGN, SELLER SHALL MAINTAIN A SERVICE ORGANIZATION REASONABLY CONSTITUTED TO HANDLE REQUESTS FROM PURCHASER AND/OR ITS CUSTOMERS FOR TECHNICAL ASSISTANCE ON OPERATION, MAINTENANCE, SERVICE, REPAIR AND OVERHAUL OF THE GOODS. SELLER AGREES TO MAINTAIN A REASONABLE INVENTORY OF FINISHED GOODS TO SUPPORT PURCHASER OR PURCHASER'S CUSTOMERS OR UNANTICIPATED REQUIREMENTS ARISING FROM EMERGENCY CONDITIONS, DURING WHICH GOODS MUST BE SHIPPED WITHIN 24 HOURS OF ORDER. FURTHERMORE, SELLER WILL MAINTAIN TOOLING, MANUFACTURING AND OVERHAUL CAPABILITY AS LONG AS PURCHASER'S ENGINES WHICH INCLUDE GOODS ORDERED HEREUNDER ARE OPERATED IN COMMERCIAL SERVICE.

37. GRATUITIES: ANY OFFICERS, EMPLOYEES OR AGENTS OF PURCHASER, THE U.S. GOVERNMENT, OR PURCHASER'S CUSTOMERS, ARE PROHIBITED FROM SOLICITING OR ACCEPTING ENTERTAINMENT, GIFTS, GRATUITIES, COMPENSATION OR FAVORS FROM SELLER. SELLER SHALL AT ALL TIMES COMPLY WITH THE REQUIREMENTS OF THIS POLICY. WHEN SELLER HAS REASONABLE GROUNDS TO BELIEVE THAT A VIOLATION OF THE GRATUITY POLICY BY SELLER OR PURCHASER'S REPRESENTATIVES MAY HAVE OCCURRED, SELLER SHALL PROMPTLY REPORT THE POTENTIAL VIOLATION TO PURCHASER BY USING THE SUPPLIER HOT LINE (1-800-443-3632) OR BY REPORTING IT IN WRITING. FOR VIOLATION OF THIS CLAUSE BY SELLER, THIS ORDER MAY BE TERMINATED IN WHOLE OR IN PART. PURCHASER MAY ALSO REQUIRE SELLER TO PROVIDE PROOF THAT IT HAS IMPLEMENTED INTERNAL MANAGEMENT CONTROLS SUFFICIENT TO PREVENT FUTURE VIOLATIONS. THESE RIGHTS AND REMEDIES OF PURCHASER ARE NOT EXCLUSIVE AND ARE IN ADDITION TO ANY OTHER RIGHTS AND REMEDIES PROVIDED TO PURCHASER UNDER THIS ORDER OR BY LAW.

38. ACCESS TO PURCHASER'S COMPUTER SYSTEMS: ACCESS TO PURCHASER'S COMPUTER SYSTEMS BY SELLER'S PERSONNEL SHALL INCLUDE ONLY THOSE PERSONS IDENTIFIED ON PURCHASER'S SYSTEMS SECURITY STATEMENT AND WHO HAVE BEEN ISSUED A SYSTEMS USER ID. PURCHASER RESERVES THE RIGHT TO, AT ANY TIME, VERIFY THE CITIZENSHIP STATUS OF ALL SELLER PERSONNEL WHO HAVE ACCESS TO PURCHASER'S COMPUTER SYSTEMS. SUCH ACCESS SHALL BE LIMITED BY PURCHASER TO THOSE SYSTEMS, WHICH IN PURCHASER'S SOLE DISCRETION, ARE REQUIRED FOR THE SELLER'S PERSONNEL TO PERFORM ASSIGNED WORK AND SHALL BE VALID UNTIL SUCH ACCESS IS REVOKED OR SURRENDERED. SUCH ACCESS SHALL BE SURRENDERED BY SELLER'S PERSONNEL UPON PURCHASER'S REQUEST OR UPON REMOVAL OR REASSIGNMENT BY SELLER.

39. CITIZENSHIP STATUS: ONLY U.S. CITIZENS, PERMANENT RESIDENT ALIENS OR THOSE ALIENS AUTHORIZED TO BE EMPLOYED IN THE U.S. SHALL BE PERMITTED TO WORK ON GE ORDERS. SELLER CERTIFIES TO GE THAT IT HAS VERIFIED THAT EACH INDIVIDUAL ASSIGNED TO WORK ON ANY ORDER HEREUNDER IS LEGALLY ENTITLED TO WORK IN THE U.S. AND HAS PRESERVED SUCH RECORDS AS REQUIRED BY THE IMMIGRATION AND NATURALIZATION SERVICE. THERE MAY BE JOBS WHICH REQUIRE U.S. CITIZENSHIP BECAUSE OF NATIONAL SECURITY OR EXPOSURE TO CLASSIFIED OR EXPORT RESTRICTED INFORMATION. IN SUCH CASES, EACH SUCH JOB WILL BE SEPARATELY IDENTIFIED BY GE AS REQUIRING U.S. CITIZENSHIP. THE CONTRACTOR WILL NOT INQUIRE WHETHER APPLICANTS ARE U.S. CITIZENS EXCEPT FOR THOSE JOBS WHICH GE DESIGNATES AS REQUIRING U.S. CITIZENSHIP.

40. MILLENNIUM COMPLIANCE:

A. AS USED IN THIS PROVISION, "MILLENNIUM COMPLIANT" IS THE ABILITY OF A "SYSTEM" TO PROVIDE ALL OF THE FOLLOWING FUNCTIONS:

1. HANDLE DATE INFORMATION BEFORE, DURING, AND AFTER JANUARY 1, 2000, INCLUDING BUT NOT LIMITED TO ACCEPTING DATE INPUT, PROVIDING DATE OUTPUT, AND PERFORMING CALCULATIONS WITH DATES OR PORTIONS OF DATES;
2. FUNCTION ACCURATELY AND WITHOUT INTERRUPTION BEFORE, DURING, AND AFTER JANUARY 01, 2000, WITHOUT ANY CHANGE IN OPERATIONS ASSOCIATED WITH THE ADVENT OF THE NEW CENTURY.
3. RESPOND TO TWO DIGIT YEAR/DATE INPUT IN A WAY THAT RESOLVES THE AMBIGUITY AS TO CENTURY IN A DISCLOSED, DEFINED AND PREDETERMINED MANNER; AND
4. STORE AND PROVIDE OUTPUT OF DATE INFORMATION IN WAYS THAT ARE UNAMBIGUOUS AS TO CENTURY.

AS USED IN THIS PROVISION, "SYSTEM " MEANS SOFTWARE, FIRMWARE WITH EMBEDDED SOFTWARE, AND HARDWARE CONTAINING SOFTWARE OR FIRMWARE.

B. SUPPLIER WARRANTS THAT ANY SYSTEM DELIVERED TO PURCHASER WILL BE MILLENNIUM COMPLIANT.

C. UPON WRITTEN NOTICE FROM PURCHASER THAT SUCH SYSTEM IS NOT MILLENNIUM COMPLIANT, SUPPLIER SHALL, AT ITS EXPENSE, TAKE APPROPRIATE ACTIONS TO CORRECT THE DEFECTIVE CONDITION BEFORE THE "CORRECTION DEADLINE." THE CORRECTION DEADLINE IS DEFINED AS FOLLOWS:

1. IF PURCHASER PROVIDES NOTICE ON OR BEFORE SEPTEMBER 23, 1998, SUPPLIER WILL COMPLETE SUCH CORRECTIVE ACTION THE EARLIER OF SIXTY (60) DAYS FROM RECEIPT OF PURCHASER'S NOTICE OR SEPTEMBER 30, 1998 (CORRECTION DEADLINE).
2. IF PURCHASER PROVIDES NOTICE AFTER SEPTEMBER 23, 1998, SUPPLIER WILL COMPLETE SUCH CORRECTIVE ACTION WITHIN ONE (1) WEEK AFTER RECEIPT OF PURCHASER'S NOTICE (CORRECTION DEADLINE).

D. IN THE EVENT THAT SUPPLIER FAILS TO COMPLETE SUCH CORRECTIVE ACTIONS BY THE CORRECTION DEADLINE, PURCHASER MAY, IN ITS SOLE DISCRETION, ELECT TO RETAIN A THIRD PARTY TO COMPLETE THE CORRECTIVE ACTION OR REPLACE SUPPLIER'S SYSTEM. SUPPLIER SHALL INDEMNIFY PURCHASER FOR ALL COSTS INCURRED BY PURCHASER IN CORRECTING THE DEFECTIVE CONDITION.

APPENDIX I

WHEN THE REQUEST FOR QUOTE, PURCHASE ORDER, PURCHASE AGREEMENT OR PART SCHEDULES REPORT INDICATES THAT REMARK F12 IS APPLICABLE TO A LINE ITEM OR SCHEDULE, THIS APPENDIX DOES NOT APPLY.

01. SUSPENSION/DEBARMENT: THE SELLER SHALL PROVIDE IMMEDIATE NOTICE TO PURCHASER IN THE EVENT OF BEING SUSPENDED, DEBARRED OR DECLARED INELIGIBLE BY ANY FEDERAL AGENCY, OR UPON RECEIPT OF A NOTICE OF PROPOSED DEBARMENT DURING THE PERFORMANCE OF THIS ORDER.
02. MOVED TO ARTICLE 37 ABOVE.
03. ANTI-KICKBACK: BY ACCEPTANCE OF THIS ORDER, SELLER CERTIFIES THAT IT HAS NOT PAID ANY KICKBACKS AND IS IN COMPLIANCE WITH THE ANTI-KICKBACK ACT OF 1986, 41 U.S.C. 51-58, AND FURTHER, SELLER AGREES TO INDEMNIFY PURCHASER FOR ANY COSTS, LIABILITIES OR ADMINISTRATIVE OFFSETS INCURRED BY PURCHASER AS A RESULT OF VIOLATIONS OR ALLEGED VIOLATIONS OF FAR 52.203-7, "ANTI-KICKBACK PROCEDURES", BY SELLER, ITS EMPLOYEES, ITS SUBCONTRACTORS OR THEIR EMPLOYEES.
04. PRICING: WHEN COSTS ARE A FACTOR IN ANY DETERMINATION OF THE PRICE TO BE PAID HEREUNDER, INCLUDING PRICE ADJUSTMENTS PURSUANT TO THE "CHANGES" CLAUSE OR ANY OTHER PROVISION OF THIS ORDER, SUCH COST SHALL BE IN ACCORDANCE WITH PART 31 OF THE FAR AND THE DFARS IN EFFECT UNDER PURCHASER'S PRIME CONTRACT.
05. TECHNICAL DATA: SELLER SHALL INDEMNIFY PURCHASER FOR ANY WITHHOLDINGS, CLAIMS, DAMAGES AND EXPENSES RESULTING FROM ANY ASSERTION BY THE GOVERNMENT OF ITS RIGHTS

UNDER DFARS 252.227-7030, "TECHNICAL DATA - WITHHOLDING OF PAYMENT" AND DFARS 252.246-7001, "WARRANTY OF DATA", AND ARISING IN WHOLE OR IN PART OUT OF ANY FAILURE BY SELLER TO DELIVER TECHNICAL DATA OR ANY DEFICIENCY IN SAID TECHNICAL DATA AS DELIVERED, INCLUDING, BUT NOT LIMITED TO, THE PRESENCE OF RESTRICTIVE MARKINGS THEREON NOT SPECIFICALLY AUTHORIZED BY THIS ORDER.

06. PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA: (APPLICABLE TO THIS ORDER OR ANY MODIFICATION THEREOF FOR WHICH COST OR PRICING DATA HAS BEEN REQUIRED.) IF ANY PRICE, INCLUDING PROFIT OR FEE, NEGOTIATED IN CONNECTION WITH THIS ORDER OR ANY MODIFICATION THEREOF OR ANY COST REIMBURSABLE UNDER THIS ORDER, INCLUDING MODIFICATIONS THEREOF, WAS INCREASED BY ANY SIGNIFICANT SUMS BECAUSE:

A. SELLER FURNISHED COST OR PRICING DATA WHICH WAS NOT ACCURATE, COMPLETE AND CURRENT AS CERTIFIED IN SELLER'S CERTIFICATE OF CURRENT COST OR PRICING DATA;

B. A SUBCONTRACTOR OF SELLER PURSUANT TO THE CLAUSES OF THIS ORDER ENTITLED "SUBCONTRACTOR COST OR PRICING DATA--MODIFICATIONS", OR ANY SUBCONTRACT CLAUSE THEREIN REQUIRED, FURNISHED COST OR PRICING DATA WHICH WAS NOT ACCURATE, COMPLETE AND CURRENT AS CERTIFIED IN SELLER'S CERTIFICATE OF CURRENT COST OR PRICING DATA;

C. A SUBCONTRACTOR OR PROSPECTIVE SUBCONTRACTOR OF SELLER FURNISHED COST OR PRICING DATA WHICH WAS REQUIRED TO BE ACCURATE, COMPLETE AND CURRENT AND TO BE SUBMITTED TO SUPPORT A SUBCONTRACT COST ESTIMATE FURNISHED BY THE SUBCONTRACTOR BUT WHICH WAS NOT ACCURATE, COMPLETE AND CURRENT AS OF THE DATE CERTIFIED IN THE SUBCONTRACTOR'S CERTIFICATE OF CURRENT COST OR PRICING DATA; OR

D. IF SELLER OR ITS SUBCONTRACTOR, OR PROSPECTIVE SELLER OR ITS SUBCONTRACTOR FURNISHED ANY DATA, NOT WITHIN (A), (B), OR (C) ABOVE, WHICH WAS NOT ACCURATE, COMPLETE, AND CURRENT AS SUBMITTED, THEN THE PRICE OR COST SHALL BE REDUCED ACCORDINGLY AND THE ORDER SHALL BE MODIFIED IN WRITING AS MAY BE NECESSARY TO REFLECT SUCH REDUCTION.

SELLER AGREES TO INDEMNIFY PURCHASER FOR ANY COSTS, LIABILITIES, AND EXPENSES RESULTING FROM FAILURE OF SELLER OR ANY SUBCONTRACTOR OR SUPPLIER OF ANY TIER HEREUNDER, INCURRED BY PURCHASER AS A RESULT OF SELLER'S OR ITS SUBCONTRACTOR'S DEFECTIVE COST OR PRICING DATA.

07. GOVERNMENT PROPERTY/ MATERIAL: ALL SPECIAL TOOLING AND SPECIAL TEST EQUIPMENT, THE FULL COST OR A SUBSTANTIAL PORTION OF WHICH IS CHARGED TO PURCHASER UNDER THIS ORDER, OR IS FURNISHED BY PURCHASER TO SELLER FOR PERFORMANCE UNDER THIS ORDER, SHALL BE CONTROLLED AND ACCOUNTED FOR IN ACCORDANCE WITH PURCHASER'S THEN CURRENT TOOLING SUPPLEMENT, REMARK E21 (FORMERLY GT75T).

SELLER SHALL PROVIDE PURCHASER WITH WRITTEN NOTICE, AT LEAST SIXTY (60) DAYS IN ADVANCE, OF SELLER'S INTENTION TO ACQUIRE OR FABRICATE SPECIAL TEST EQUIPMENT IN SUPPORT OF THE REQUIREMENTS UNDER THIS ORDER.

IF PROPERTY/MATERIAL IS PROVIDED FOR USE ON THIS ORDER (OR CHARGED TO A COST REIMBURSEMENT OR TIME AND MATERIALS ORDER), SELLER SHALL MAINTAIN AND ADMINISTER, IN ACCORDANCE WITH FAR PART 45.5, A PROGRAM FOR THE UTILIZATION, MAINTENANCE, PROTECTION, PRESERVATION AND ACCOUNTABILITY OF SUCH PROPERTY, AND SELLER SHALL COMPLY WITH ALL APPLICABLE PROVISIONS OF FAR PART 45 REGARDING THE USE, CONTROL, AND RESPONSIBILITY FOR SUCH GOVERNMENT PROPERTY.

08. GOVERNMENT FACILITIES: UNLESS THIS ORDER AUTHORIZES THE USE OF GOVERNMENT-OWNED FACILITIES, SELLER MUST NEGOTIATE THE USE OF GOVERNMENT OWNED FACILITIES USED IN THE MANUFACTURE OF GOODS PURCHASED HEREUNDER WITH THE APPROPRIATE GOVERNMENT AGENCY FURNISHING GOVERNMENT FACILITIES TO SELLER. ALL CHARGES TO PURCHASER FOR SUCH USE MUST BE CONCURRENTLY BILLED AS A SEPARATE ITEM ASIDE FROM ALL OTHER COSTS.

IF THIS ORDER AUTHORIZES RENT-FREE USE OF GOVERNMENT FACILITIES, SELLER AGREES THAT IT WILL NOT DIRECTLY OR INDIRECTLY, THROUGH OVERHEAD CHARGES OR OTHERWISE, SEEK REIMBURSEMENT UNDER THIS ORDER FOR ANY RENTAL CHARGE PAID BY THE SELLER FOR THE USE ON OTHER CONTRACTS OF THE FACILITIES REFERRED TO HEREIN. ANY SUBCONTRACT HEREUNDER WHICH AUTHORIZES THE SUBCONTRACTOR TO USE GOVERNMENT FACILITIES ON A NO-CHARGE BASIS SHALL CONTAIN A PROVISION TO THE SAME EFFECT AS STATED HEREIN.

09. DIRECT SHIPMENTS TO THE U.S. GOVERNMENT: IF DELIVERIES OF GOODS INCLUDING DATA UNDER THIS ORDER ARE TO BE MADE DIRECTLY TO THE GOVERNMENT, SELLER AGREES TO PREPARE AND DISTRIBUTE THE DOD FORM 250, "MATERIAL INSPECTION AND RECEIVING REPORT", AS SET FORTH IN PART 53 OF DFARS, AND TO ENTER THEREON THE PRICE OF ALL GOVERNMENT FURNISHED MATERIAL (GFM) INCLUDED IN ITEMS SO DELIVERED TO THE GOVERNMENT. THE GOVERNMENT HAS AGREED THAT THE PRICE OF GFM WILL BE MADE AVAILABLE TO SELLER BY THE GOVERNMENT. HOWEVER, NO DELIVERY SHALL BE DELAYED BY REASON OF FAILURE OF THE GOVERNMENT TO FURNISH SUCH PRICES TO SELLER. SELLER SHALL INCLUDE A SIMILAR PROVISION IN EACH SUBCONTRACT HEREUNDER.

10. PROCUREMENT INTEGRITY: SELLER AGREES TO COMPLY WITH THE REQUIREMENTS OF SECTION 27 OF THE "OFFICE OF FEDERAL PROCUREMENT POLICY ACT" (41 USC 423), AS AMENDED BY SECTION 814 OF PUBLIC LAW 101-189, AND WITH THE IMPLEMENTING REGULATIONS CONTAINED IN FAR 3.104, AND AGREES TO INDEMNIFY PURCHASER FOR ANY COSTS AND LIABILITIES INCURRED BY PURCHASER AS A RESULT OF VIOLATIONS OF THE ACT OR REGULATIONS BY SELLER, ITS EMPLOYEES, ITS AGENTS, ITS CONSULTANTS, OR SUBCONTRACTORS, OR THEIR EMPLOYEES.

11. CONDITIONAL GOVERNMENT SOURCE INSPECTION: DURING THE PERFORMANCE OF THIS ORDER, SELLER'S QUALITY CONTROL SYSTEM, INSPECTION SYSTEM AND MANUFACTURING PROCESSES ARE SUBJECT TO REVIEW, VERIFICATION AND ANALYSIS BY AUTHORIZED GOVERNMENT REPRESENTATIVES. INSPECTION AND RELEASE OF MATERIAL COVERED BY THIS ORDER BY A GOVERNMENT REPRESENTATIVE PRIOR TO SHIPMENT IS NOT REQUIRED UNLESS SELLER IS OTHERWISE NOTIFIED.

12. COST ACCOUNTING STANDARDS: (APPLICABLE WHEN CAS IS INCORPORATED SPECIFICALLY IN THIS ORDER.) SELLER AGREES TO INDEMNIFY PURCHASER FOR ANY COSTS, LIABILITIES, AND OTHER EXPENSES WHICH RESULT FROM SELLER'S FAILURE TO COMPLY WITH AN APPLICABLE COST ACCOUNTING STANDARD, OR FAILURE TO COMPLY WITH PUBLIC LAWS 91-379 AND 100-679.

FEDERAL ACQUISITION REGULATION (FAR) CLAUSES

THE FOLLOWING CLAUSES SET FORTH IN PART 52 OF THE FAR IN EFFECT ON DATE OF THE ORDER ARE HEREBY INCORPORATED BY REFERENCE, TO THE EXTENT THEY APPLY TO PURCHASER'S CONTRACT WITH THE GOVERNMENT. HOWEVER, IN THE EVENT OF A CONFLICT BETWEEN THE FAR CLAUSES LISTED BELOW AND THE PURCHASER'S PRIME CONTRACT, THE PURCHASER'S PRIME CONTRACT SHALL PREVAIL. WHERE APPLICABLE, THE TERMS "GOVERNMENT", "CONTRACTING OFFICER", AND SIMILAR TERMS SHALL MEAN PURCHASER, AND THE TERM "CONTRACTOR" AND SIMILAR TERMS SHALL MEAN SELLER. COST AND PRICING DATA REQUIREMENTS MAY VARY DEPENDING UPON THE PRIME CONTRACT.

52.202-1 DEFINITIONS

52.203-3 GRATUITIES

52.203-5 COVENANT AGAINST CONTINGENT FEES (IF ORDER EXCEEDS \$100,000)

52.203-6 RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT (IF ORDER EXCEEDS \$100,000)

52.203-7 ANTI-KICKBACK PROCEDURES(IF ORDER EXCEEDS \$100,000)

52.203-10 PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY

52.203-12 LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (IF ORDER EXCEEDS \$100,000)

52.204-2 SECURITY REQUIREMENTS

52.209-6 PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (IF ORDER EXCEEDS \$25,000)

52.211-5 MATERIAL REQUIREMENTS

52.211-15 DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS (IF DPAS RATING INDICATED ON ORDER)

52.214-26 AUDIT AND RECORDS-SEALED BIDDING (IF ORDER EXCEEDS \$500,000)

52.214-28 SUBCONTRACTOR COST OR PRICING DATA--MODIFICATIONS--SEALED BIDDING (IF ORDER EXCEEDS \$500,000)

52.215-2 AUDIT AND RECORDS-NEGOTIATION (IF ORDER EXCEEDS \$100,000)

52.215-12 SUBCONTRACTOR COST OR PRICING DATA (IF ORDER EXCEEDS \$500,000)

52.215-13 SUBCONTRACTOR COST OR PRICING DATA--MODIFICATIONS (IF ORDER EXCEEDS \$500,000)

52.215-14 INTEGRITY OF UNIT PRICES (IF ORDER EXCEEDS \$100,000)

52.215-15 TERMINATION OF DEFINED BENEFIT PENSION PLANS (IF ORDER EXCEEDS \$500,000)

52.215-18 REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (PRB) (IF ORDER EXCEEDS \$500,000)

52.215-19 NOTIFICATION OF OWNERSHIP CHANGES (IF COST OR PRICING DATA WAS REQUIRED)

52.215-20 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA.

52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA - MODIFICATIONS

52.219-8 UTILIZATION OF SMALL, SMALL DISADVANTAGED, AND WOMEN-OWNED SMALL BUSINESS CONCERNS

52.219-9 SMALL, SMALL DISADVANTAGED, AND WOMEN-OWNED SMALL BUSINESS SUBCONTRACTING PLAN (IF ORDER EXCEEDS \$500,000)

52.222-3 CONVICT LABOR

52.222-4 CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (OVERTIME COMPENSATION (IF ORDER EXCEEDS \$100,000)

52.222-20 WALSH-HEALEY PUBLIC CONTRACTS ACT

52.222-26 EQUAL OPPORTUNITY

52.222-35 AFFIRMATIVE ACTION FOR SPECIAL DISABLED AND VIETNAM ERA VETERANS (IF ORDER EXCEEDS \$10,000)

52.222-36 AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS (APPLIES IF ORDER EXCEEDS \$2,500)

52.222-37 EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA (IF ORDER EXCEEDS \$10,000)

52.223-2 CLEAN AIR AND WATER (IF ORDER EXCEEDS \$100,000)

52.223-3 HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA

52.223-14 TOXIC CHEMICAL RELEASE REPORTING (EXCEPT PARAGRAPH E) (IF ORDER EXCEEDS \$100,000). (IF REQUIRED, THE SUPPLIER AGREES TO SUBMIT THE CERTIFICATION CONTAINED IN FAR 52.223-13.)

52.225-3 BUY AMERICAN ACT -- SUPPLIES

52.225-10 DUTY-FREE ENTRY (IF ORDER IDENTIFIES SUPPLIES TO BE IMPORTED INTO THE U.S.)

52.225-11 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES

52.225-18 EUROPEAN COMMUNITY SANCTIONS FOR END PRODUCTS

52.227-1 AUTHORIZATION AND CONSENT AND ALTERNATE I (IF ORDER EXCEEDS \$100,000)

52.227-2 NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT (IF ORDER EXCEEDS \$100,000)

52.227-9 REFUND OF ROYALTIES

52.228-3 WORKER'S COMPENSATION INSURANCE (DEFENSE BASE ACT)

52.228-4 WORKER'S COMPENSATION AND WAR-HAZARD INSURANCE OVERSEAS

52.228-5 INSURANCE - WORK ON A GOVERNMENT INSTALLATION

52.229-3 FEDERAL, STATE AND LOCAL TAXES

52.229-4 FEDERAL, STATE AND LOCAL TAXES (NON-COMPETITIVE CONTRACTS)

52.229-5 TAXES - CONTRACTS PERFORMED IN US POSSESSIONS OR PUERTO RICO

52.229-6 TAXES - FOREIGN FIXED-PRICE CONTRACTS

52.229-7 TAXES - FIXED-PRICE CONTRACTS WITH FOREIGN GOVERNMENTS

52.230-2 COST ACCOUNTING STANDARDS

52.230-3 DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES

52.230-5 COST ACCOUNTING STANDARDS - EDUCATIONAL INSTITUTION
 52.230-6 ADMINISTRATION OF COST ACCOUNTING STANDARDS (IF ORDER EXCEEDS \$500,000)
 52.232-16 PROGRESS PAYMENTS (APPLIES ONLY IF SPECIFIED IN ORDER)
 52.234-1 INDUSTRIAL RESOURCES DEVELOPED UNDER DEFENSE PRODUCTION ACT TITLE III
 52.242-15 STOP-WORK ORDER
 52.244-5 COMPETITION IN SUBCONTRACTING
 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS
 52.245-2 GOVERNMENT PROPERTY(FIXED-PRICE CONTRACTS)
 52.245-17 SPECIAL TOOLING
 52.245-18 SPECIAL TEST EQUIPMENT
 52.247-1 COMMERCIAL BILL OF LADING NOTATIONS (APPLIES ONLY WHERE DIRECT SHIPMENT TO THE GOVERNMENT IS SPECIFIED)
 52.247-63 PREFERENCE FOR US-FLAG AIR CARRIERS
 52.247-64 PREFERENCE FOR PRIVATELY OWNED US-FLAG COMMERCIAL VESSELS (IF ORDER EXCEEDS \$100,000)
 52.248-1 VALUE ENGINEERING (IF ORDER EXCEEDS \$100,000)
 52.249-14 EXCUSABLE DELAYS

DOD FAR SUPPLEMENT (DFARS) CLAUSES

252.203-7001 SPECIAL PROHIBITION ON EMPLOYMENT (IF ORDER EXCEEDS \$100,000)
 252.204-7000 DISCLOSURE OF INFORMATION
 252.208-7000 INTENT TO FURNISH PRECIOUS METALS AS GOVERNMENT-FURNISHED PROPERTY
 252.209-7000 ACQUISITION FROM SUBCONTRACTORS SUBJECT TO ON-SITE INSPECTION UNDER THE INTERMEDIATE RANGE NUCLEAR FORCES (INF) TREATY (IF ORDER EXCEEDS \$100,000)
 252.211-7000 ACQUISITION STREAMLINING (IF ORDER EXCEEDS \$1,000,000)
 252.215-7000 PRICING ADJUSTMENTS
 252.219-7003 SMALL, SMALL DISADVANTAGED, AND WOMAN OWNED SMALL BUSINESS SUBCONTRACTING PLAN (DOD CONTRACTS)
 252.225-7001 BUY AMERICAN ACT AND BALANCE OF PAYMENTS PROGRAM
 252.225-7002 QUALIFYING COUNTRY SOURCES AS SUBCONTRACTORS
 252.225-7009 DUTY-FREE ENTRY - QUALIFYING COUNTRY END PRODUCTS AND SUPPLIES
 252.225-7010 DUTY-FREE ENTRY--ADDITIONAL PROVISIONS
 252.225-7014 PREFERENCE FOR DOMESTIC SPECIALTY METALS (WITH ALT I)
 252.225-7015 PREFERENCE FOR DOMESTIC HAND OR MEASURING TOOLS
 252.225-7016 RESTRICTION ON ACQUISITION OF BALL AND ROLLER BEARINGS
 252.225-7022 RESTRICTION ON ACQUISITION OF POLYACRYLONITRILE (PAN) BASED CARBON FIBER
 252.225-7025 RESTRICTION ON ACQUISITION OF FORGINGS
 252.225-7026 REPORTING OF CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES (IF ORDER EXCEEDS \$100,000)
 252.225-7027 LIMITATION ON SALES COMMISSIONS AND FEES.
 252.225-7028 EXCLUSIONARY POLICIES AND PRACTICES OF FOREIGN GOVERNMENTS
 252.225-7030 RESTRICTION ON ACQUISITION OF CARBON, ALLOY, AND ARMOR STEEL PLATE
 252.225-7032 WAIVER OF UNITED KINGDOM LEVIES (IF ORDER WITH A UNITED KINGDOM FIRM \$1,000,000)
 252.225-7036 NORTH AMERICAN FREE TRADE AGREEMENT IMPLEMENTATION ACT
 252.225-7037 DUTY-FREE ENTRY - NAFTA COUNTRY END PRODUCTS AND SUPPLIES
 252.227-7013 RIGHTS IN TECHNICAL DATA - NONCOMMERCIAL ITEMS
 252.227-7014 RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND NONCOMMERCIAL COMPUTER SOFTWARE DOCUMENTATION
 252.227-7015 TECHNICAL DATA-COMMERCIAL ITEMS
 252.227-7016 RIGHTS IN BID OR PROPOSAL INFORMATION
 252.227-7017 IDENTIFICATION AND ASSERTION OF USE, RELEASE, OR DISCLOSURE RESTRICTIONS
 252.227-7018 RIGHTS IN NONCOMMERCIAL TECHNICAL DATA AND COMPUTER SOFTWARE— SMALL BUSINESS INNOVATIVE RESEARCH (SBIR) PROGRAM
 252.227-7019 VALIDATION OF ASSERTED RESTRICTIONS-COMPUTER SOFTWARE
 252.227-7020 RIGHTS IN SPECIAL WORKS

- 252.227-7021 RIGHTS IN DATA--EXISTING WORKS
- 252.227-7025 LIMITATIONS ON THE USE OR DISCLOSURE OF GOVERNMENT-FURNISHED INFORMATION MARKED WITH RESTRICTIVE LEGENDS
- 252.227-7026 DEFERRED DELIVERY OF TECHNICAL DATA OR COMPUTER SOFTWARE (IF DELIVERY OF TECHNICAL DATA IS REQUIRED)
- 252.227-7027 DEFERRED ORDERING OF TECHNICAL DATA OR COMPUTER SOFTWARE (IF DELIVERY OF TECHNICAL DATA IS REQUIRED)
- 252.227-7028 TECHNICAL DATA OR COMPUTER SOFTWARE PREVIOUSLY DELIVERED TO THE GOVERNMENT
- 252.227-7030 TECHNICAL DATA - WITHHOLDING OF PAYMENT
- 252.227-7032 RIGHTS IN TECHNICAL DATA AND COMPUTER SOFTWARE (FOREIGN)
- 252.227-7036 DECLARATION OF TECHNICAL DATA CONFORMITY
- 252.227-7037 VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA
- 252.231-7000 SUPPLEMENTAL COST PRINCIPLES
- 252.232-7003 FLEXIBLE PROGRESS PAYMENTS (APPLIES ONLY IF SPECIFIED IN ORDER)
- 252.232-7004 DOD PROGRESS PAYMENT RATES (APPLIES ONLY IF SPECIFIED IN ORDER)
- 252.234-7001 EARNED VALUE MANAGEMENT (APPLIES ONLY IF SPECIFIED IN ORDER)
- 252.235-7003 FREQUENCY AUTHORIZATION
- 252.242-7005 COST/SCHEDULE STATUS REPORT (APPLIES ONLY IF 252.234- 7001 APPLIES)
- 252.243-7001 PRICING OF CONTRACT MODIFICATIONS
- 252.244-7000 SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS(DOD CONTRACTS)
- 252.246-7001 WARRANTY OF DATA (IF ORDER REQUIRES TECHNICAL DATA)
- 252.247-7023 TRANSPORTATION OF SUPPLIES BY SEA (IF ORDER EXCEEDS \$100,000)
- 252.247-7024 NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA
- 252.249-7002 NOTIFICATION OF PROPOSED PROGRAM TERMINATION OR REDUCTION (IF ORDER EXCEEDS \$100,000)

IF AN ORDER IS PLACED UNDER A NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) PRIME CONTRACT, THE FOLLOWING NASA FAR SUPPLEMENT CLAUSES APPLY:

- 18-52.204-76 SECURITY REQUIREMENTS FOR UNCLASSIFIED AUTOMATED INFORMATION RESOURCES
- 18-52.208-81 RESTRICTIONS ON PRINTING AND DUPLICATING
- 18-52.219-74 USE OF RURAL AREA SMALL BUSINESSES
- 18-52.219-75 SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS SUBCONTRACTING REPORTING
- 18-52.223-70 SAFETY AND HEALTH (APPLIES TO ORDERS IN EXCESS OF \$1,000,000 OR THAT INVOLVE USE OF HAZARDOUS MATERIALS OR OPERATIONS)
- 18-52.227-14 RIGHTS IN DATA - GENERAL
- 18-52.242-73 NASA CONTRACTOR FINANCIAL MANAGEMENT REPORTING
- 18-52.244-70 GEOGRAPHIC PARTICIPATION IN THE AEROSPACE PROGRAM (APPLIES TO ORDERS OF \$100,000 OR MORE)
- 18-52.245-73 FINANCIAL REPORTING OF NASA PROPERTY IN THE CUSTODY OF CONTRACTORS

APPENDIX II INTERNATIONAL ORDERS

IF SELLER IS LOCATED OUTSIDE OF THE UNITED STATES, THE PRECEEDING TERMS AND CONDITIONS ARE MODIFIED AS FOLLOWS:

1. ARTICLE 3, "DISPUTE RESOLUTION" IS DELETED AND REPLACED WITH THE FOLLOWING:
"DISPUTE RESOLUTION. THIS ORDER SHALL BE INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, U.S.A. WITHOUT REGARD TO NEW YORK'S CHOICE OF LAW PROVISIONS. EXCEPT AS OTHERWISE PROVIDED, THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS IS NOT APPLICABLE TO THIS ORDER. ALL DISPUTES ARISING IN CONNECTION WITH THIS ORDER SHALL BE FINALLY SETTLED UNDER THE RULES OF CONCILIATION AND ARBITRATION OF THE INTERNATIONAL CHAMBER OF COMMERCE

BY ONE OR MORE ARBITRATORS APPOINTED IN ACCORDANCE WITH THE SAID RULES. THE ARBITRATION SHALL BE HELD IN NEW YORK CITY AND ANY ARBITRATOR'S AWARD SHALL NOT EXCEED ACTUAL COMPENSATORY DAMAGES."

2. ARTICLE 7, "DELAY AND DEFAULT". THE REFERENCE TO THE UNIFORM COMMERCIAL CODE IS CHANGED TO REFER TO "ARTICLE 45 OF THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS."

3. ARTICLE 19, "NONDISCRIMINATION IN EMPLOYMENT", IS DELETED.

4. ENGLISH LANGUAGE. EXCEPT AS THE PARTIES MAY OTHERWISE AGREE, THIS ORDER, DATA, NOTICES, SHIPPING INVOICES, CORRESPONDENCE AND OTHER WRITINGS SHALL BE WRITTEN IN THE ENGLISH LANGUAGE. IN THE EVENT OF ANY INCONSISTENCY BETWEEN ANY TERMS OF THIS CONTRACT AND ANY TRANSLATION THEREOF INTO ANOTHER LANGUAGE, THE ENGLISH LANGUAGE MEANING SHALL CONTROL.

5. ARTICLE 5, "TRANSPORTATION", IS DELETED AND REPLACED WITH THE FOLLOWING:

TRANSPORTATION. GOODS COVERED BY THIS CONTRACT SHALL BE SHIPPED IN ACCORDANCE WITH ICC INCOTERMS, 1990 EDITION. THE APPLICABLE SHIPPING AND DELIVERY INCOTERMS WILL BE SPECIFIED ON THE FACE OF THIS ORDER. NO CHARGES FOR UNAUTHORIZED TRANSPORTATION WILL BE ALLOWED. ANY UNAUTHORIZED SHIPMENT WHICH WILL RESULT IN EXCESS TRANSPORTATION CHARGES MUST BE FULLY PREPAID BY THE SELLER. TITLE TO SAID GOODS SHALL PASS TO PURCHASER ON THE EARLIER OF (1) MANUFACTURING REQUIRED DATE OR (2) USE DATE. PURCHASER CARRIES INSURANCE ON ALL MATERIAL WHILE SUCH MATERIAL IS IN TRANSIT. SELLER SHALL NOT INSURE MATERIAL WHICH PURCHASER HAS INSURED. SELLER SHALL RELEASE SHIPMENTS AT THE LOWEST RELEASED VALUATION IF APPLICABLE. IF SELLER DOES NOT COMPLY WITH THE STATED DELIVERY SCHEDULE, PURCHASER MAY, IN ADDITION TO ANY OTHER RIGHTS WHICH PURCHASER MAY HAVE UNDER THIS ORDER, REQUIRE DELIVERY BY FASTEST WAY AND CHARGES RESULTING FROM THIS MODE OF TRANSPORTATION MUST BE FULLY PREPAID AND ABSORBED BY THE SELLER.

6. ANTI-DUMPING. SELLER WARRANTS THAT ALL SALES MADE HEREUNDER ARE OR WILL BE MADE AT NOT LESS THAN FAIR VALUE UNDER THE UNITED STATES ANTI-DUMPING LAW (19 U.S.C. SEC 1673 ET. SEQ.), AND SELLER WILL INDEMNIFY, DEFEND AND HOLD PURCHASER HARMLESS FROM AND AGAINST ANY COSTS OR EXPENSES (INCLUDING BUT NOT LIMITED TO ANY ANTI-DUMPING DUTIES WHICH MAY BE IMPOSED) ARISING OUT OF OR IN CONNECTION WITH ANY BREACH OF THIS WARRANTY.

7. IMPORTER OF RECORD.

A. IF SELLER IS IMPORTER OF RECORD, SELLER AGREES THAT PURCHASER WILL NOT BE A PARTY TO THE IMPORTATION OF THE GOODS; THAT THE TRANSACTION(S) REPRESENTED BY THIS ORDER WILL BE CONSUMMATED SUBSEQUENT TO IMPORTATION; THAT SELLER WILL NEITHER CAUSE NOR PERMIT PURCHASER'S NAME TO BE SHOWN AS "IMPORTER OF RECORD" ON ANY CUSTOMS DECLARATION; AND THAT, IF THE GOODS MUST BE RETURNED TO SELLER, SELLER AGREES TO BE U.S. EXPORTER AND TO COMPLY WITH ALL APPLICABLE EXPORT REGULATIONS.

B. IF PURCHASER IS THE IMPORTER OF RECORD, SELLER SHALL SHIP THE GOODS TO THE PORT OF ENTRY AS ADVISED BY PURCHASER AND SHOW PROPER BROKER NOTIFICATION ON ALL SHIPPING WAYBILLS. ANY ADDITIONAL TRANSPORTATION OR CLEARANCE CHARGES INCURRED BY PURCHASER DUE TO NON-ADHERENCE TO THIS CLAUSE WILL BE THE RESPONSIBILITY OF SELLER.

C. REGARDLESS OF WHICH PARTY IS THE IMPORTER OF RECORD, SELLER'S SHIPPING CARTONS AND DOCUMENTATION MUST MEET ALL U.S. CUSTOMS COUNTRY OF ORIGIN MARKING AND INVOICING REQUIREMENTS. SELLER WILL BE RESPONSIBLE FOR ANY FINES OR LIABILITIES RESULTING FROM INSUFFICIENT, IMPROPER OR NEGLIGENT INVOICING OR MARKING OF SHIPMENTS.

8. U.S. EXPORTER. IF SELLER IS THE U.S. EXPORTER FOR ANY U.S. ORIGIN BAILED OR PURCHASED MATERIAL REQUIRED BY SELLER TO COMPLETE THIS ORDER, SELLER SHALL BE RESPONSIBLE FOR OBTAINING ANY REQUIRED EXPORT LICENSE, AUTHORIZING A U.S. FREIGHT FORWARDER, AND COMPLYING WITH U.S. EXPORT ADMINISTRATION REGULATIONS/INTERNATIONAL TRAFFIC-IN-ARMS REGULATIONS. IF THE SELLER REQUESTS THE PURCHASER TO EXPORT THE MATERIALS, THE PURCHASER SHALL BE RESPONSIBLE FOR PROCURING THE EXPORT LICENSE, UTILIZING ITS DULY AUTHORIZED FREIGHT FORWARDER, AND COMPLYING WITH U.S. EXPORT ADMINISTRATION REGULATIONS/INTERNATIONAL TRAFFIC-IN-ARMS REGULATIONS.

9. DRAWBACK. IF SELLER IS AN IMPORTER OF RECORD, UPON REQUEST AND WHERE APPLICABLE, SELLER WILL PROVIDE PURCHASER CUSTOMS FORM 7543 ENTITLED "CERTIFICATE OF DELIVERY" PROPERLY EXECUTED.

10. FORCED, PRISON, OR CHILD LABOR. NO FORCED OR PRISON LABOR MAY BE USED IN MANUFACTURING THE PRODUCTS TO BE SUPPLIED UNDER THIS CONTRACT, AND SUPPLIER AGREES TO COMPLY WITH ALL APPLICABLE CHILD LABOR LAWS. IF FORCED, PRISON, OR ILLEGAL CHILD LABOR IS DETERMINED TO HAVE BEEN USED IN THE MANUFACTURE OF THE PRODUCTS SUPPLIED HEREUNDER, THE PURCHASER SHALL BE INDEMNIFIED BY SELLER AND SHALL HAVE THE RIGHT TO IMMEDIATELY TERMINATE THE CONTRACT WITHOUT FURTHER COMPENSATION TO THE SELLER.

11. TSCA WARRANTY. REGARDLESS OF WHICH PARTY IS THE IMPORTER OF RECORD, SELLER WILL BE RESPONSIBLE FOR COMPLYING WITH THE IMPORT RESTRICTIONS CONTAINED IN SECTION 13 OF THE TOXIC SUBSTANCE CONTROL ACT (TSCA) 15 U.S.C. 2601 ET SEQ., PROVIDING THE APPROPRIATE TSCA CERTIFICATION REQUIRED UNDER 19 CFR 12.121, AND ANY FINES OR LIABILITIES RESULTING FROM BREACHES OF THIS SECTION.

12. ARTICLE 39, "CITIZENSHIP STATUS", IS DELETED.

13. APPENDIX I. THE FOLLOWING CLAUSES ARE NOT APPLICABLE TO INTERNATIONAL SUPPLIERS WHEN WORK IS PERFORMED OUTSIDE THE U.S. AND ITS POSSESSIONS.

52.211-15 (APPLIES TO RATED SUBCONTRACTS PLACED WITH U.S. SUPPLIERS)

- 52.219-9 52.222-26 52.229-3
- 52.222-3 52.222-35 52.229-4
- 52.222-4 52.222-36 52.229-5
- 52.222-20 52.222-37 252.219-7003
- 52.223-2

APPENDIX III

SUPPLEMENTARY TERMS AND CONDITIONS FOR ORDERS INVOLVING EXPERIMENTAL, DEVELOPMENT, OR RESEARCH WORK.

WHEN THE REQUEST FOR QUOTE, PURCHASE ORDER, PURCHASE AGREEMENT OR PART SCHEDULES REPORT INDICATE THAT REMARK F12 IS APPLICABLE TO A LINE ITEM OR SCHEDULE, FAR, DFARS AND NASA CLAUSES DO NOT APPLY.

1. DATA RIGHTS.

A. IF THIS ORDER IS A CONTRACT FOR EXPERIMENTAL, DEVELOPMENT OR RESEARCH WORK, SELLER HEREBY ASSIGNS AND AGREES TO ASSIGN TO PURCHASER ANY INVENTIONS CONCEIVED AND/OR REDUCED TO PRACTICE IN THE COURSE OF THIS ORDER AND SELLER ALSO AGREES TO ASSIGN TO PURCHASER ANY PATENTS ISSUING THEREON. SELLER FURTHER AGREES TO PROVIDE REASONABLE ASSISTANCE TO PURCHASER, AT PURCHASER'S EXPENSE, FOR SECURING PATENTS ON SUCH INVENTIONS. SELLER SHALL BE RESPONSIBLE FOR ASSURING THAT ITS EMPLOYEES HAVE SIGNED APPROPRIATE AGREEMENTS CAPABLE OF SECURING SUCH RIGHTS TO PURCHASER. ANY COMPENSATION DUE TO SELLER'S EMPLOYEES IN CONNECTION WITH ANY INVENTION SHALL BE PAID SOLELY BY THE SELLER.

B. IF SELLER IS A UNIVERSITY OR NON-PROFIT INSTITUTION, AND IF THE WORK BEING DONE HEREUNDER IS PURSUANT TO A CONTRACT WITH THE U.S. GOVERNMENT WHICH CONTAINS PROVISIONS REGARDING RETENTION OF INTELLECTUAL PROPERTY RIGHTS OF THE SELLER, SELLER SHALL RETAIN OWNERSHIP OF INVENTIONS AND SELLER HEREBY GRANTS AND AGREES TO GRANT TO PURCHASER AN IRREVOCABLE, FULLY PAID LICENSE UNDER ANY PATENTS COVERING INVENTIONS CONCEIVED AND/OR REDUCED TO PRACTICE IN THE COURSE OF THIS ORDER, TO MAKE, HAVE MADE, USE AND SELL SUCH INVENTIONS WITH THE RIGHT TO EXTEND SUCH LICENSE TO PURCHASER'S CUSTOMERS, INCLUDING THE U.S. GOVERNMENT, AND TO ANY OF PURCHASER'S LICENSEES OR CO-PRODUCERS OF GENERAL ELECTRIC PRODUCTS.

C. IN THE EVENT SELLER WISHES TO ACQUIRE A LICENSE UNDER ANY INVENTION OR PATENT ASSIGNED TO PURCHASER, AND RESULTING FROM THIS ORDER, PURCHASER AGREES TO CONSIDER GRANTING SUCH A LICENSE TO SELLER UPON REASONABLE TERMS AND CONDITIONS.

D. IF THIS ORDER IS A CONTRACT WHICH CALLS FOR THE DELIVERY OF ORIGINAL WORKS OF AUTHORSHIP, THEN ALL SUCH WORKS, IRRESPECTIVE OF THE MEDIA OF EXPRESSION, SHALL BE DEEMED TO BE WORKS MADE FOR HIRE AND SHALL BELONG EXCLUSIVELY TO PURCHASER. IF BY OPERATION OF LAW, ANY SUCH WORKS ARE NOT WORKS MADE FOR HIRE, THEN SELLER AGREES TO AND DOES HEREBY ASSIGN TO PURCHASER THE OWNERSHIP OF SUCH WORKS INCLUDING ALL COPYRIGHTS THERETO. PURCHASER MAY OBTAIN AND HOLD IN ITS OWN NAME COPYRIGHTS, REGISTRATIONS, AND OTHER PROTECTION THAT MAY BE AVAILABLE IN SUCH WORKS AND SELLER SHALL PROVIDE ANY ASSISTANCE (AT PURCHASER'S EXPENSE) REQUIRED TO PERFECT SUCH PROTECTION.

2. DELETED ARTICLES. THE FOLLOWING ARTICLES ARE NOT APPLICABLE AND ARE DELETED.

- 4. PACKAGING REQUIREMENTS
- 5. TRANSPORTATION
- 6. ANTICIPATION OF DELIVERY SCHEDULE
- 7. DELAY AND DEFAULT
- 14. INSPECTION
- 18. PARTS COMPLIANCE AND MATERIALS TEST CERTIFICATION
- 21. TERMS OF SETTLEMENT
- 29. CHANGES IN SCHEDULE
- 30. CLASS II CHANGES IN DESIGN

APP. I

- 11. CONDITIONAL GOVERNMENT SOURCE INSPECTION

3. EDUCATIONAL AND NON-PROFIT INSTITUTIONS.

A. IF SELLER IS AN EDUCATIONAL OR NON-PROFIT INSTITUTION, ANY REFERENCES TO INDEMNIFICATION IN STANDARD REMARK C64 SHALL BE LIMITED TO SUCH INDEMNIFICATION AS MAY BE PERMITTED BY LAW OR REGULATION.

B. ARTICLE 12, SET OFF, IS NOT APPLICABLE TO EDUCATIONAL OR NON-PROFIT INSTITUTIONS.

C. ARTICLE 3, DISPUTE RESOLUTION, SHALL BE MODIFIED TO REFER TO THE LAW OF THE STATE UNDER WHICH THE EDUCATIONAL OR NON-PROFIT INSTITUTION IS CHARTERED.

D. IN ARTICLE 25, TERMINATION FOR CONVENIENCE, THE REFERENCES TO FAR 52.249-1, 52.249-2 AND 52.249-3 ARE CHANGED TO REFER TO FAR 52.249-5, TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (EDUCATIONAL AND OTHER NONPROFIT INSTITUTIONS), WITH THE FOLLOWING CHANGES: DELETE PARAGRAPH (G), AND IN PARAGRAPH (C) CHANGE "1 YEAR" TO "6 MONTHS".

4. MODIFIED ARTICLES.

A. ARTICLE 9, CHANGES, IS DELETED AND REPLACED WITH FAR 52.243-2, ALT V., CHANGES - COST REIMBURSEMENT.

B. IN ARTICLE 25, TERMINATION FOR CONVENIENCE, THE REFERENCES TO FAR 52.249-1 AND 52.249-2 ARE CHANGED TO REFER TO FAR 52-249-6, TERMINATION (COST-REIMBURSEMENT), WITH THE FOLLOWING CHANGES: DELETE PARAGRAPHS (D), (I), AND (M); AND IN PARAGRAPH (E) CHANGE "1 YEAR" TO "6 MONTHS".

5. THE FOLLOWING CLAUSES APPLY:

FAR

- 52.227-10 FILING OF PATENT APPLICATIONS--CLASSIFIED SUBJECT MATTER
- 52.227-11 PATENT RIGHTS-RETENTION BY THE CONTRACTOR. (SHORT FORM)
(APPLIES IF THIS ORDER IS FOR EXPERIMENTAL, DEVELOPMENTAL OR RESEARCH WORK TO BE PERFORMED BY A SMALL BUSINESS FIRM OR NON-PROFIT ORGANIZATION).
- 52.227-12 PATENT RIGHTS-RETENTION BY THE CONTRACTOR. (LONG FORM)
(APPLIES IF THIS ORDER IS FOR EXPERIMENTAL, DEVELOPMENTAL DEVELOPMENTAL OR RESEARCH WORK NOT COVERED BY 52.227-11)
- 52.227-13 PATENT RIGHTS-ACQUISITION BY THE GOVERNMENT

DFARS

- 252.227-7039 PATENTS--REPORTING OF SUBJECT INVENTIONS
- 252.249-7034 PATENTS--SUBCONTRACTS

NASA FAR SUPPLEMENT

IF AN ORDER IS PLACED UNDER A NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA) PRIME CONTRACT, THE FOLLOWING NASA FAR SUPPLEMENT CLAUSES APPLY:

- 18-52.227-11 PATENT RIGHTS-RETENTION BY THE CONTRACTOR (SHORT FORM)
- 18-52.227-70 NEW TECHNOLOGY
- 18-52.227-71 REQUESTS FOR WAIVER OF RIGHTS TO INVENTIONS
- 18-52.227-72 DESIGNATION OF NEW TECHNOLOGY AND PATENT REPRESENTATIVE
- 18-52.227-85 INVENTION REPORTING AND RIGHTS - FOREIGN

APPENDIX IV

SUPPLEMENTARY TERMS AND CONDITIONS FOR COST REIMBURSEMENT ORDERS. WHEN THE REQUEST FOR QUOTE, PURCHASE ORDER, PURCHASE AGREEMENT OR PART SCHEDULES REPORT INDICATE THAT REMARK F12 IS APPLICABLE TO A LINE ITEM OR SCHEDULE, FAR, DFARS AND NASA CLAUSES DO NOT APPLY.

1. INSPECTION AND NONCONFORMANCE. INSPECTION SHALL BE ACCOMPLISHED IN ACCORDANCE WITH FAR 52.246-8, INSPECTION OF RESEARCH AND DEVELOPMENT--COST REIMBURSEMENT.
2. TERMS OF SETTLEMENT. CLAUSE 21, TERMS OF SETTLEMENT, IS SUPPLEMENTED BY THE FOLLOWING: "IF THIS IS A COST TYPE PURCHASE ORDER, THE FREQUENCY OF INVOICING SHALL BE AS STATED IN THE BODY OF THIS ORDER, AND UNLESS OTHERWISE STATED, SHALL NOT BE MORE FREQUENT THAN ONCE EACH THIRTY (30) CALENDAR DAYS. INVOICES WILL BE PROCESSED FOR PAYMENT IN ACCORDANCE WITH PURCHASER'S STANDARD TERMS OF SETTLEMENT. PAYMENT WILL REQUIRE APPROVAL OF THE INVOICE BY THE COGNIZANT ENGINEER." FIXED PRICE ORDERS REMAIN SUBJECT TO CLAUSE 21, TERMS OF SETTLEMENT.
3. MODIFIED ARTICLES.

A. ARTICLE 9, CHANGES, IS DELETED AND REPLACED WITH FAR 52.243-2, ALT V., CHANGES - COST REIMBURSEMENT.

B. IN ARTICLE 25, TERMINATION FOR CONVENIENCE, THE REFERENCES TO FAR 52.249-1 AND FAR 52.249-2 ARE CHANGED TO REFER TO FAR 52.249-6, TERMINATION (COST REIMBURSEMENT), WITH THE FOLLOWING CHANGES: DELETE PARAGRAPHS (D), (I), AND (M); AND IN PARAGRAPH (E) CHANGE "1 YEAR" TO "6 MONTHS".

4. THE FOLLOWING CLAUSES APPLY:

FAR

- 52.216-7 ALLOWABLE COST AND PAYMENT
- 52.216-8 FIXED FEE
- 52.216-10 INCENTIVE FEE
- 52.232-20 LIMITATION OF COST
- 52.242-1 NOTICE OF INTENT TO DISALLOW COSTS
- 52.242-15 STOP WORK ORDER (WITH ALT I)
- 52.249-14 EXCUSABLE DELAYS
- 52.222-2 PAYMENT FOR OVERTIME PREMIUMS (IF ORDER EXCEEDS \$100,000)
- 52.228-7 INSURANCE-LIABILITY TO THIRD PERSONS
- 52.232-22 LIMITATION OF FUNDS
- 52.245-5 GOVERNMENT PROPERTY (COST REIMBURSEMENT, TIME-AND-MATERIAL, OR LABOR HOUR CONTRACTS): " GOVERNMENT PROPERTY" SHALL MEAN PROPERTY OF THE BUYER OR GOVERNMENT UNDER THIS CLAUSE. PARAGRAPH (G) IS REWRITTEN IN ITS ENTIRETY TO READ "RISK OF LOSS.WHILE IN SUBCONTRACTORS CUSTODY OR CONTROL, SUBCONTRACTOR ASSUMES ALL RISK FOR LOSS OF OR DAMAGE TO PROPERTY FURNISHED BY BUYER OF THE GOVERNMENT AND ALL PROPERTY FURNISHED BY BUYER OF THE GOVERNMENT AND TO PROPERTY WHERE THE BUYER OR THE GOVERNMENT ACQUIRED TITLE BY VIRTUE OF THIS ORDER."

REVISION SUMMARY

ADDED ARTICLE 40 (MILLENNIUM COMPLIANCE)

APPENDIX I

FAR CLAUSES

- 52.203-10 ADDED
- 52.211-5 RETITLED
- 52.211-7 DELETED
- 52.215-14 ADDED
- 52.215-24 RENUMBERED TO 52.215-12
- 52.215-25 RENUMBERED TO 52.215-13
- 52.215-27 RENUMBERED TO 52.215-15
- 52.215-39 RENUMBERED TO 52.215-18
- 52.215-40 RENUMBERED TO 52.215-19
- 52.215-41 RENUMBERED TO 52.215-20
- 52.228-3 ADDED

DFAR CLAUSES

- 252.225-7012 DELETED
- 252.225-7025 RETITLED
- 252.225-7034 DELETED
- 252.227-7036 RETITLED

APPENDIX II

- 52.211-5 RENUMBERED TO 52.211-15
- 52.219-16 DELETED
- 52.223-4 RENUMBERED TO 52.222-4
- 52.222-22 DELETED

APPENDIX III

- ARTICLE 6 RENUMBERED TO ARTICLE 4
- SUB-ARTICLE 6C CHANGED TO ARTICLE 5