

**L-3 Communications Corporation
GENERAL TERMS AND CONDITIONS**

This document, together with the attachments appended hereto constitutes the Terms and Conditions for the Contract between the parties, and acceptance is strictly limited to the terms and conditions contained herein. **Additional or differing terms, conditions or limitations of liability proposed by Seller, whether in a quote, acceptance or delivery document shall have no effect unless accepted in writing by Buyer. In particular, any limitation of liability or disclaimer of warranty is expressly rejected.** Agreement by Seller to furnish the goods or services to these terms and conditions, or Seller's commencement of such performance or acceptance of payment shall constitute acceptance by Seller of these Terms and Conditions.

1. Definitions: Words, as employed in this Agreement, shall have their normally accepted meanings. The following terms shall have the described meaning:

- (a) "Buyer" shall mean L-3 Communications Corporation and/or the entity identified as the Buyer in this Contract.
- (b) "Contract" shall mean the Purchase Order, these General Terms and Conditions, and any special conditions appended hereto or documents incorporated herein.
- (c) "Goods or Services" shall mean those Goods or Services identified in this Contract, which may be changed, from time to time by the mutual written agreement of the parties.
- (d) "Seller" shall mean the party identified as the Seller in this Contract.

2. Price: (a) Unless otherwise specified, the prices established by this Contract are firm fixed prices. Seller warrants that any unit prices charged herein do not exceed the unit prices charged by Seller to other customers in substantially similar transactions.

(b) In the event Seller is liable to Buyer for any amounts, Buyer may, at its election, set-off against any amounts payable to Seller under this Contract.

3. Schedule and Delivery; Notice of Delay: Seller shall strictly adhere to all Purchase Order schedules. Time is and shall remain of the essence in the performance of this Contract. Seller shall notify Buyer in writing immediately of any actual or potential delay to the performance of this Contract. Such notice shall include a revised schedule and shall not constitute a waiver to Buyer's rights and remedies hereunder.

4. New Materials; Packaging and Shipping: (a) All goods to be delivered hereunder shall consist of new materials.

(b) Seller shall prepare and package the goods to prevent damage or deterioration and shall use best commercial practice for packing and packaging of items to be delivered under this Contract, unless otherwise specified in the Purchase Order.

5. Inspection and Acceptance: (a) Buyer's final acceptance of Goods or Services is subject to Buyer's final inspection within sixty (60) days after receipt at Buyer's facility or such other place as may be designated by Buyer, notwithstanding any payment or prior test or inspection.

(b) Seller and its suppliers shall establish and maintain a quality control and inspection program as specified in the Purchase Order. Subject to applicable national security regulations, Buyer and Buyer's representatives shall have the right of access, on a non-interference basis, to any area of Seller's or Seller's supply chain sub-tier premises where any part of the work is being performed. Seller shall flow this requirement down to its sub tier supply chain suppliers as a condition of this contract. Seller shall, without additional costs to Buyer, provide all reasonable in-plant accommodations, facilities, and assistance for the safety and convenience of the Buyer and the Buyer's representatives in the performance of their duties.

(c) Seller shall keep and maintain inspection, test and related records, which shall be available to Buyer or Buyer's representative. Seller shall allow copies to be made and shall furnish all information required by the Buyer or Buyer's representative.

6. Rejection: If Seller delivers nonconforming Goods or Services, Buyer may, at its option and Seller's expense: (i) return the goods for refund or credit; (ii) require Seller to promptly correct or replace the Goods or Services; (iii) correct the nonconformance; or, (iv) obtain conforming Goods or Services from another source. Buyer shall specify the reason for any return or rejection of nonconforming Goods or Services and/or shall describe the action taken. Seller shall be liable for any increase in costs, including procurement costs, attributable to Buyer's rejection of the nonconforming Goods or Services.

7. Invoices: (a) Invoices may be mailed when goods are shipped, but the time for payment shall not commence until Buyer's actual or scheduled receipt, whichever is later, of items at their destination or upon satisfactory completion of services.

Buyer shall promptly pay Seller the amount due within 45 days, except if identified elsewhere in the Contract, unless the invoiced amount is in dispute. Buyer may withhold payment for shortages and/or non-conforming Goods or Services.

8. Changes: (a) By written order, Buyer may from time to time direct changes for: (i) technical requirements; (ii) shipment or packing methods; (iii) place of delivery, inspection or acceptance; (iv) reasonable adjustments in quantities, delivery schedules or both; (v) amount of Buyer-furnished property; (vi) time of performance; and, (vii) place of performance.

(b) If any such change causes an increase or decrease in the price or in the time required for its performance, Seller shall promptly notify Buyer thereof and assert its claim for equitable adjustment within thirty (30) days after the change is ordered, and an equitable adjustment shall be made. However, nothing in this provision shall excuse Seller from proceeding immediately with the directed change(s). Changes shall not be binding upon Buyer except when specifically confirmed in a written Purchase Order or Change Order.

9. Force Majeure: The following events, and only the following events, shall constitute force majeure under this Contract: (a) acts of God or of a public enemy; (b) acts of Government; (c) fires; (d) floods; (e) epidemics; (f) quarantine restrictions; (g) strikes; (h) freight embargoes; and, (i) unusually severe weather. In each case, the failure to perform must be entirely beyond the control and without the fault or negligence of the Seller. Each party shall give the other immediate notice of any event that such party claims is a *Force Majeure* Condition that would prevent the party from performing its obligations hereunder, and of the cessation of the condition. A party's notice under this Section shall include the party's good faith estimate of the likely duration of the *Force Majeure* Condition.

10. Termination for Convenience: (a) Buyer may, by notice in writing, direct Seller to terminate work under this Contract in whole or in part, at any time, and such termination shall not constitute default. In such event, Buyer shall have all rights and obligations accruing to it either at law or in equity, including Buyer's rights to title and possession of the goods and materials paid for. Buyer may take immediate possession of all work so performed upon notice of termination.

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(b) Seller shall immediately stop work and limit costs incurred on the terminated work.

(c) If such termination is for the convenience of the Buyer, Buyer, after deducting any amount(s) previously paid, shall reimburse Seller for the actual, reasonable, substantiated and allowable costs with the total amount to be paid by the Buyer being determined by negotiation.

11. Termination for Default: (a) Buyer may, by written Notice of Default to Seller, terminate this Contract in whole or in part, or, at Buyer's sole discretion, require the Seller to post such financial assurance as Buyer deems reasonably necessary, if the Seller fails to: (i) deliver the goods or to perform the services within the time specified in this Contract or any extension; (ii) make progress, so as to endanger performance of this Contract; or, (iii) perform any of the other provisions of this Contract.

(b) Buyer may require Seller to transfer title and deliver to Buyer, in the manner and to the extent directed by Buyer, any partially completed goods and raw material, parts, tools, dies, jigs, fixtures, plans, drawings, services, information and contract rights (Materials) as Seller has produced or acquired for the performance of this Contract, including the assignment to Buyer of Seller's subcontracts. Seller further agrees to protect and preserve property in the possession of Seller in which Buyer has an interest. Payment for completed goods delivered to and accepted by Buyer shall be at the Contract price. Payment for unfinished Goods or Services, which have been delivered to and accepted by Buyer and for the protection and preservation of property, shall be at a price determined in the same manner as provided in the Termination for Convenience provision hereof except that Seller shall not be entitled to profit. Buyer may withhold from Seller moneys otherwise due Seller for completed goods and/or Materials in such amounts as Buyer determines necessary to protect Buyer against loss due to outstanding liens or claims against said goods and Materials.

(c) Seller shall promptly notify Buyer if Seller is the subject of any petition in bankruptcy. In the event of Seller's bankruptcy, Buyer may require Seller to post such financial assurance, as Buyer, in its sole discretion, deems necessary. Failure to post such financial assurance upon ten (10) days written notice shall constitute a default under this Contract. The rights and remedies of Buyer in this clause are in addition to any other rights and remedies provided by law or under this Contract.

12. Compliance with Law: (a) Seller shall comply with all applicable provisions of Federal, state, and local laws; ordinances and all lawful orders; rules, regulations. FAA, DOT and other transportation regulations and Hazard Communication Standards promulgated pursuant to the Occupational Health and Safety Act.

(b) Seller shall control the dissemination of and access to technical data, information and other items received under this Contract in accordance with U.S. export control laws and regulations.

13. Ethical Standards of Conduct: Seller shall neither receive nor give any gifts or gratuities in connection with this Contract. Seller's employees are required to conduct company business with integrity and maintain a high standard of conduct in all business-related activities. Seller shall not participate in any unethical conduct during performance of this Contract. Seller shall not engage in any personal, business, or investment activity that may be defined as a conflict of interest, whether real or perceived.

14. Proprietary Information and Rights: (a) All Specifications, information, data, drawings, software and other items supplied to Buyer shall be disclosed to Buyer without any restrictive rights on a non-proprietary basis.

(b) All Specifications, information, data, drawings, software and other items which are: (i) supplied to Seller by Buyer; or, (ii) paid for by Buyer

during the performance of this Contract shall be treated as proprietary to Buyer and shall not be disclosed to any third party without Buyer's express written consent. Seller agrees not to use any such furnished information except to perform this Contract.

15. Intellectual Property: Any work, writing, idea, discovery, improvement, invention (whether patentable or not), trade secret or intellectual property of any kind first made or conceived by Seller in the performance of this Contract or which is derived from the use of information supplied by Buyer shall be the exclusive property of the Buyer. Seller shall disclose promptly all such works, writings, ideas, discoveries, improvements, inventions, trade secrets or intellectual property to Buyer, and shall execute all necessary documents to perfect Buyer's title thereto and to obtain and maintain effective protection thereof. Any work produced under this Contract is to be deemed a work-for-hire to the extent permitted by law, and, to the extent not so permitted, shall be assigned to, and shall be, the exclusive property of, the Buyer.

(b) Seller hereby grants to Buyer, and to Buyer's subcontractors and customers, in connection with the use, offer for sale, or sale of products provided to or work being performed for Buyer, an irrevocable, non-exclusive, paid-up worldwide license under any and all intellectual property (whether domestic or foreign), including patents, copyrights, industrial designs and/or mask works owned or controlled by Seller at any time or licensed to Seller, provided such a sublicense does not conflict with any provisions of the license to the Seller.

(c) Seller hereby grants to Buyer, and to Buyer's subcontractors and customers, a perpetual, non-exclusive, paid-up worldwide license to reproduce, distribute copies of, perform publicly, display publicly, or make derivative works from any software included in or provided with Goods or Services under this Contract (Software Documentation) as reasonably required by Buyer in connection with Buyer's testing or use of the good or service.

16. Goods Warranty: Unless stated otherwise in the documents accompanying these terms and conditions, Seller shall warrant all goods against defects in design and performance for a period of one year following delivery. If this Contract is for delivery of goods, Seller shall observe, comply with and afford Buyer all applicable Uniform Commercial Code warranties contained in the New York Consolidated Laws, and Seller hereby acknowledges that Buyer does not waive or accept any disclaimer of any such warranties.

17. Services Warranty: Unless stated otherwise in the documents accompanying these terms and conditions, Seller shall warrant all services against defects in performance for a period of one year following delivery. If this Contract includes the provision of Services, Seller warrants that it has and will maintain sufficient trained personnel to promptly and efficiently execute the Services contemplated under this Contract. Seller further warrants that the services shall be performed to at least the standard of performance reasonably expected of similar service providers in Buyer's geographic area.

18. Intellectual Property Warranty: Seller warrants that the sale, offering for sale, use, or incorporation into manufactured goods and Materials (including software) of all machines, parts, components, services, devices, material, and rights furnished or licensed hereunder which are not of Buyer's design, composition, or manufacture does not and will not infringe any valid patent, copyright, trade mark, or other proprietary or intellectual property rights.

19. Extension to Buyer's Customers: All warranties furnished pursuant to this Contract extend not only to Buyer but also to Buyer's customers.

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20. Indemnification: (a) Seller shall indemnify, hold harmless, and at Buyer's request, defend Buyer, its officers, directors, customers, agents and employees, against all claims, liabilities, damages, losses and expenses, including attorneys' fees and cost of suit arising out of or in any way connected with the Goods or Services provided under this Agreement, including, without limitation: (i) the breach of any warranty contained herein; (ii) any claim based on the death or bodily injury to any person, destruction or damage to property, or contamination of the environment and any associated clean up costs; (iii) Seller failing to satisfy the Internal Revenue Service's guidelines for an independent contractor; (iv) any claim based on the negligence, omissions or willful misconduct of Seller or any of Seller's agents, subcontractors, employees or anyone acting on behalf of Seller; and, (v) any claim by a third party against Buyer alleging that the Goods or Services (including but not limited to software), the results of such Services, or any other products or processes provided under this Agreement, infringe a patent, copyright, trademark, trade secret or other proprietary right of a third party, whether such are provided alone or in combination with other products, software or processes. Seller shall not settle any such suit or claim without Buyer's prior written approval. Seller agrees to pay or reimburse all costs that may be incurred by Buyer in enforcing this indemnity, including attorneys' fees.

(b) Should Buyer's use, or use by its distributors, subcontractors or customers, of any Goods or Services purchased from Seller be enjoined, be threatened by injunction, or be the subject of any legal proceeding, Seller shall, at its sole cost and expense, either: (i) substitute fully equivalent non-infringing Goods or Services; (ii) modify the Goods or Services so that they no longer infringe but remain fully equivalent in functionality; (iii) obtain for Buyer, its distributors, subcontractors or customers the right to continue using the Goods or Services; or, (iv) if none of the foregoing is possible, refund all amounts paid for the infringing Goods or Services.

(c) Seller shall without limitation as to time, defend, indemnify and hold Buyer harmless from all liens which may be asserted against property covered hereunder, including without limitation mechanic's liens or claims arising under Worker's Compensation or Occupational Disease laws and from all claims for injury to persons or property arising out of or related to such property unless the same are caused solely and directly by Buyer's negligence.

21. Insurance: If this contract is for the performance of services on Buyer's premises, or, Seller utilizes their own vehicles to deliver goods to Buyer's facility, Seller shall maintain the following insurance in at least the minimum amounts stated:

(a) General Liability, Property Damage, Employer's Liability- \$1million

(b) Workers Compensation Insurance – Statutory

(c) Motor Vehicle Liability - \$1 million

Seller shall arrange a waiver of subrogation, shall name Buyer as an additional insured under each of the above policies and shall provide to Buyer, within fifteen (15) days of Buyer issuance of this Contract, a Certificate of Insurance evidencing compliance with this section.

22. Release Of Information: Seller shall not publish any information developed under this Contract, nor disclose, confirm, or deny any details about the existence or subject matter of this Contract, or use Buyer's name in connection with Seller's sales promotion or publicity without prior written approval of the Buyer.

23. Disputes: The provisions of this Contract shall be interpreted in accordance with the laws of the State of New York without resort to said state's Conflict of Law rule, and in accordance with its fair meaning and not strictly against either party. Pending final resolution of a dispute hereunder, Seller shall proceed diligently with the performance of this

Contract and in accordance with all the Terms and Conditions contained herein and with the Buyer's direction thereof. Buyer and Seller shall each bear its own costs of processing any dispute hereunder.

24. Assignments and Subcontracting: (a) Neither this Contract nor any interest herein nor claim hereunder may be transferred, novated, assigned or delegated by Seller; nor may all or substantially all of this Contract be further subcontracted by Seller without the prior written consent of Buyer. No consent shall not be deemed or relieve Seller of its obligations to comply fully with the requirements hereof.

(b) Notwithstanding the above, Seller may, without Buyer's consent, assign moneys due or to become due hereunder provided Buyer continues to have the right to exercise any and all of its rights hereunder, settle any and all claims arising out of, and enter into amendments to the Contract without notice to or consent of the assignee. Buyer shall be given prompt notice of any assignment. Amounts so assigned shall continue to be subject to any of Buyer's rights to set-off or recoupment under this Contract or at law.

(c) Buyer may assign this Contract to any successor in interest.

25. Government Contracts: For Contracts placed in support of and charged to a U.S. Government Contract: (i) the appendices to the contract will include a list or lists of clauses set forth in the Federal Acquisition Regulation (FAR) or the Defense Federal Acquisition Regulation Supplement (DFARS); (ii) such appended FAR and DFARS clauses are incorporated by reference as if set forth at length herein.

26. Order of Precedence: In the event of a conflict between these Terms and Conditions and other portions of the Contract, the order of precedence shall be: (a) any typed provisions on the face of Buyer's purchase order specifically modifying the terms of this Contract; (b) these Terms and Conditions; and, (c) any other provisions set forth in the Buyer's Purchase Orders including any terms and conditions stated or referenced therein.

27. Independent Contractor Status: Seller is, and shall remain, an independent contractor during the performance of this Contract.

28. Communication with Buyer's Customer: Buyer shall be solely responsible for any and all communication with Buyer's customer regarding this or any related contract.

29. Survival: All of the provisions of this Contract shall survive the termination (whether for convenience or default), suspension or completion of this Contract unless they are clearly intended to apply only during the term of this Contract.

30. Audit Rights: (a) Buyer reserves the right to audit Seller's records to assure compliance with the terms of this Contract. Seller shall make available all data reasonably requested by Buyer.

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Supplement 1 – Government Contract Provisions from the Federal Acquisition Regulation (FAR)

1. When the materials or products furnished are for use in connection with a Government contract or subcontract, in addition to the General Provisions, the following provisions shall apply, as required by the terms of the prime contract or by operation of law or regulation. In the event of a conflict between these FAR provisions and the General Provisions, the FAR provisions shall control.

2. The following clauses set forth in the FAR in effect as of the date of the prime contract are incorporated herein by reference. In all clauses listed herein, the terms "Government", "Contracting Officer" and "Contractor" shall be revised to suitably identify the contracting parties herein and affect the proper intent of the provision except where further clarified or modified below. "Subcontractor", however, shall mean "Seller's Subcontractor" under this purchase order.

A. APPLICABLE TO ALL ORDERS:

1. Security Requirements	52.204-2
2. Taxpayer identification (applicable to solicitations)	52.204-3
3. Data Universal Numbering System (DUNS) Number (applicable to solicitations)	52.204-6
4. Central Contractor Registration	52.204-7
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6. Material Requirements	52.211-5
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8. Defense Priority and Allocation Requirements	52.211-15
9. Contract Terms and Conditions Required to Implement Statutes or Executive Orders – Commercial Items	52.212-5
10. Small Business Program Representations	52.219-1
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16. Child Labor – Cooperation with Authorities and Remedies	52.222-19
17. Service Contract Act of 1965, as Amended	52.222-41
18. Combating Trafficking in Persons	52.222-50
19. Hazardous Material Identification and Material Safety Data – "Government" means "Government and Buyer"	52.223-3
20. Notice of Radioactive Materials	52.223-7
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22. Energy Efficiency in Energy-Consuming Products	52.223-15
23. IEEE 1680 Standard for the Environmental Assessment of personal Computer Products	52.223-16
24. Privacy Act	52.224-2
25. Buy American Act - Supplies	52.225-1
26. Buy American Act Certificate	52.225-2
27. Trade Agreements	52.225-5
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29. Duty-Free Entry	52.225-8
30. Restrictions on Certain Foreign Purchases	52.225-13
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33. Historically Black College or University and Minority Institution Representation	52.226-2
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35. Royalty Information	52.227-6
36. Refund of Royalties	52.227-9
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38. Patent Rights – Ownership by the Contractor	52.227-11
39. Rights in Data – General	52.227-14
40. Commercial Computer Software License	52.227-19
41. Workers' Compensation Insurance (Defense Base Act)	52.228-3
42. Workers' Compensation and War-Hazard Insurance Overseas	52.228-4
43. Insurance – Work on a Government Installation	52.228-5
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49. Accident Prevention	52.236-13
50. Protection of Government Buildings, Equipment, and Vegetation	52.237-2
51. Privacy or Security Safeguards	52.239-1
52. Stop Work Order	52-242-15
53. Government Delay of Work	52.242-17
54. Changes - Fixed Price	52-243-1
55. Competition in Subcontracting	52.244-5
56. Subcontracts for Commercial Items	52.244-6
57. Government Property	52.245-1
58. Government Property Installation Operation Services	52.245-2
59. Preference for U.S. – Flag Air Carriers	52.247-63
60. Preference for Privately Owned U.S. – Flag Commercial Vessels	52.247-64
61. Termination for Convenience of the Government (Fixed –Price) (Short Form)	52.249-1
B. ORDERS OVER \$10,000 ALSO INCLUDE THE FOLLOWING:	
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2. Prohibition of Segregated Facilities (E.O. 11246)	52.222-21
3. Equal Opportunity (E.O. 11246)	52.222-26(b)
4. Affirmative Action for Workers with Disabilities	52.222-36
5. Buy American Act – North American Free Trade Agreement – Israeli Trade Act (over \$25,000)	52.225-3
6. Buy American Act North American Free Trade Agreement – Israeli Trade Act Certificate (over \$25,000)	52.225-4
C. ORDERS OVER \$100,000 ALSO INCLUDE THE FOLLOWING:	
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2. Restrictions on Subcontractor Sales to the Government	52.203-6
3. Anti-Kickback Procedures (less paragraph (c) (1))	52.203-7
4. Price or Fee Adjustment for Illegal or Improper Activities	52.203-10
5. Limitation on Payments to Influence Certain Federal Transactions	52.203-12
6. Women-Owned Business (Other than Small Business)	52.204-5
7. Audit and Records – Negotiation	52.215-2
8. Integrity of Unit Prices	52.215-14
9. Utilization of Small Business Concerns	52.219-8
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11. Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans	52.222-35
12. Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans	52.222-37
13. Notification of Employee Rights Concerning Payment of Union Dues or Fees	52.222-39
14. Employment Eligibility Verification (E.O. 12989)	52.222-54
15. Drug-Free Workplace	52.223-6
16. Estimate of Percentage of Recovered Material Content for EPA-Designated Products	52.223-9
17. Toxic Chemical Release Reporting (Less paragraph (e))	52.223-14
18. Notice and Assistance Regarding Patent and Copyright Infringement	52.227-2
19. Federal, State, and Local Taxes	52.229-3
20. Bankruptcy	52.242-13
21. Change Order Accounting	52.243-6
22. Subcontracts (paragraphs (h) and (l) only apply)	52.244-2
23. Inspection of Supplies, Fixed Priced Contracts	52.246-2
24. Inspection of Services, Fixed Price Contracts	52.246-4
25. Responsibility for Supplies	52.246-16
26. Value Engineering	52.248-1
27. Termination for Convenience of the Government (Fixed-Price) – “Government: shall mean “Buyer”. In paragraph (c) the term “120 days” is changed to “60 days.” The term “one year” in paragraph (e) is changed to “six months.” The term “90 days” in paragraph (l) is changed to “forty-five days,” per 49.502 (e)	52.249-2
28. Default (Fixed-Price Supply and Service)	52-249-8

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- D. ORDERS OVER \$550,000 ALSO INCLUDE THE FOLLOWING:
1. Pension Adjustment and Asset Reversions 52.215-15
 2. Reversion or Adjustment of Plans for Postretirement Benefits (PRB) other than Pensions 52.215-18
 3. Notification of Ownership Changes 52.215-19
 4. Small Business Subcontracting Plan 52.219-9
 5. Liquidated Damages – Subcontracting Plan 52.219-16
 6. Contractor Code of Business Ethics and Conduct (over \$5 million and applicable to LB) 52.203-13
 7. Display of Hotline Poster (over \$5 million) 52.203-14
 8. Preaward On-Site Equal Opportunity Compliance Evaluation (over \$10 million) 52.222-24
 9. Reporting Subcontract Awards (over \$500 million) 52.204-10
- E. UNLESS OTHERWISE EXEMPT ALSO INCLUDE THE FOLLOWING:
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 2. Subcontractor Cost or Pricing Data – Modifications – Sealed Bidding (exceeds \$650,000) 52.214-28
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 11. Disclosure and Consistency of Cost Accounting Practices 52.230-3
 12. Cost Accounting Standards – Educational Institution 52.230-5
 13. Earned Value Management System 52.234-4
- F. APPLICABLE TO COST REMINBURSEMENT, TIME & MATERIAL OR LABOR HOUR ORDERS:
1. Facilities Capital Cost of Money 52.215-16
 2. Waiver of Facilities – Capital Cost of Money 52.215-17
 3. Allowable Cost and Payment (cost reimbursement) – Seller agrees to execute assignment documents in order to meet subsection (h) 52.216-7
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 5. Incentive Fee – applicable if this is a cost plus incentive fee order 52.216-10
 6. Cost Contract – No Fee – applicable if this is a cost no fee order 52.216-11
 7. Cost Sharing Contract – No Fee – applicable if this is a cost sharing, no fee order 52.216-12
 8. Payment for Overtime Premiums – insert “0%” in paragraph (a) unless indicated otherwise on the face of this order 52.222-2
 9. State of new Mexico Gross Receipts and Compensating Tax 52.229-10
 10. Limitation of Cost (if fully funded) 52.232-20
 11. Limitation of Funds (if incrementally funded) 52.232-22
 12. Changes – Cost-Reimbursement – applicable if this is a cost-reimbursement order 52.243-2
 13. Changes – Time and Material or Labor-Hours – applicable if this is a time and material or labor hour order 52.243-3
 14. Inspection of Supplies (Cost-Reimbursement) – “Contracting Officer” means “Buyer’s purchasing representative” and “Government” means “Buyer and Government” (provided that an inspection system accepted by the Government will be deemed accepted by the Buyer), and where “Government” first appears in paragraph (k) it shall mean “Government or Buyer.” The provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government. 52.246-3
 15. Inspection of Services (Cost-Reimbursement) – “Contracting Officer” means “Buyer’s purchasing representative” and “Government” means “Buyer and Government” (provided that an inspection system accepted by the Government will be deemed accepted by the Buyer), and where “Government” first appears in paragraph (k) it shall mean “Government and Buyer.” The provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government. 52.246-5

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16. Inspection – Time and Material and Labor Hour – “Contracting Officer” means “Buyer’s purchasing representative” and “Government” means “Buyer and Government” (provided that an inspection system accepted by the Government will be deemed accepted by the Buyer), and where “Government” first appears in paragraph (k) it shall mean “Government and Buyer.” The provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government. 52.246-6
17. Submission of Transportation Documents for Audit 52.247-67
18. Termination (Cost-Reimbursement) – “Government” means “Buyer” and “Contracting Officer” means “Buyer’s purchasing representative.” In paragraph (d) change “15 days” and “45 days” to “30 days” and “90 days,” respectively. In paragraph (e) change “1 year” to “six months.” Alternate IV is applicable to time and material or labor-hour orders only. 52.249-6 Alt IV
19. Excusable Delay 52.249-14
- G. APPLICABLE TO CONSTRUCTION ORDERS
1. Subcontracts (Labor Standards). 52.222-11
2. Affirmative Action Compliance Requirements for Construction (over \$10,000) 52.222-27
3. Affirmative Procurement of Biobased Products Under Service and Construction Contracts 52.223-2
4. Buy American Act – Construction Materials 52.225-9
5. Notice of Buy American Act Requirement – Construction Materials 52.225-10
6. North Carolina State and Local Sales and Use Tax 52.229-2
7. Inspection of Construction 52.246-12
8. Value Engineering – Construction (over \$100,000) 52.248-3
3. Certifications
- The offeror, by signing its offer, hereby certifies compliance with the following clauses and is, therefore eligible for award.
- A Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (over \$100,000) 52.203-11
- B Certification Regarding Responsibility Matters (E.O. 12689) (over \$100,000) 52.209-5
- C Protecting the Government’s Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (over \$30,000) 52.209-6
- D Certification Regarding Knowledge of Child Labor for Listed End Products 52.222-18
- D Previous Contracts and Compliance Reports (over \$10,000) 52.222-22
- E Affirmative Action Compliance 52.222-25
- F Biobased Product Certification 52.223-1
- G Recovered Material Certification 52.223-4
- H Certification of Toxic Chemical Release Reporting (Competitively awarded, over \$100,000) 52.223-13
- I Prohibition on Conducting Restricted Business Operations in Sudan – Certification 52.225-20
- J Cost Accounting Standards Notices and Certifications 52.230-1
4. Additional Clauses:
- A COST ACCOUNTING STANDARDS (Applicable unless otherwise exempt)
- Seller shall communicate and otherwise deal directly with the Contracting Officer to the extent practicable and permissible as to all matters relating to Cost Accounting Standards. Seller shall provide Buyer with copies of all communications between Seller and the Contracting Officer respecting Cost Accounting Standards, FAR 52.230-2 and Administration of Cost Accounting Standards, FAR 52.230-6, provided Seller shall not be required to disclose to Buyer such communications containing information which is privileged and confidential to the Seller. In addition to any other remedies provided by law or under this Order, Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage, or expense if Buyer is subjected to any liability as the result of a failure of the Seller or its lower-tier subcontractors to comply with the requirements of FAR 52.230-2, 52.230-3, 52.230-5 or 52.230-6. Paragraph (b) is deleted in each of the foregoing clauses.

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Supplement 1 – Government Contract Provisions from the Federal Acquisition Regulation (FAR)

B TRUTH IN NEGOTIATIONS

Cost or Pricing Data (applicable only if certified cost or pricing data has been provided).

The clause entitled "Subcontractor Cost or Pricing Data" is a part of this Order if the Seller was required to furnish cost and pricing data and a Certification of Current Cost or Pricing Data for this Order. If it was not required to furnish such data and Certificate, the clause entitled "Subcontractor Cost or Pricing Data-Modification" is a part of this Order. Seller shall update its proposal and re-certify its cost or pricing data whenever costs, factors, or prices change such that cost or pricing data previously furnished is no longer accurate, current, or complete.

1. Indemnification

If any price (including profit or fee) negotiated in connection with the prime contract between the Government and the Buyer or any cost that is reimbursable under said contract is reduced because cost or pricing data furnished by the Seller in connection with any proposal submitted by the Buyer relating to said contract or in connection with this Order was not accurate, complete, or current, the Seller shall indemnify the Buyer in the amount of said reduction.

The phrase "cost or pricing data" as used herein shall be deemed to include any such data, which related to a lower-tier prospective or actual subcontract, at any level, which was submitted by the Seller or which it procured by submission of, in connection with the aforesaid proposal or this Order in support of its cost estimate.

If any reduction in the contract price under this clause reduces the price of items for which payment was made prior to the date of the modification reflecting the price reduction, the Seller shall be liable and shall pay the Buyer at the time such overpayment is repaid:

i. Simple interest on the amount of such overpayment to be computed from the date(s) of overpayment to the Seller to the date the Buyer is repaid by the Seller at the applicable underpayment rate effective for each quarter prescribed by the Secretary of the Treasury under 26 U.S.C. 6621(a)(2); and

ii. For Department of Defense contracts only, a penalty equal to the amount of the overpayment, if the Seller knowingly submitted cost or pricing data which were incomplete, inaccurate, or non-current.

2. Cost or Pricing Data for Changes

Prior to the pricing of any change or other modification to this Order which involves increases and/or decreases in costs plus applicable profit in excess of the contractually required threshold (e.g. \$100,000, \$500,000, \$550,000 or \$650,000) and resulting from a change in the prime contract, subcontractors shall submit cost or pricing data and shall certify that the data, as defined in Federal Acquisition Regulation 15.406-2, submitted either actually or by specific identification in writing are accurate, complete, and current as of the date of completion of negotiations.

When required to obtain cost or pricing data from its subcontractors, pursuant to the provisions of this Order, Seller shall obtain such data.

5. DISPUTES – GOVERNMENT CONTRACTS

Any reference to the "Disputes clause" in any applicable FAR Clause under paragraph 2 above shall mean this paragraph 5, Disputes – Government Contracts

i. Any dispute arising under this purchase order relating to any decision of the Contracting Officer under the prime contract shall be resolved in accordance with Paragraph (ii) below. All other disputes will be resolved by the Section 6, Disputes in the General Terms and Conditions Of Purchase.

ii. 1. Notwithstanding any other provisions in this purchase order, any decision of the Contracting Officer under the prime contract which binds Buyer shall bind both Buyer and Seller to the extent that it relates to this purchase order—provided that:

- a. The Buyer notifies with reasonable promptness the Seller of such decision and
- b. The Buyer, at its sole discretion, authorizes in writing the Seller to appeal in the name of the Buyer such decision at its own expense, or
- c. If Buyer should appeal such decision, Buyer at its sole discretion offers to the Seller the opportunity at its own expense to join Buyer in such appeal.

2. Any decision upon such appeal, when final, shall be binding upon the Seller.

3. The Seller shall keep Buyer informed of any appeal it makes by providing copies of all pertinent documents to Buyer.

4. The Seller shall indemnify and save harmless from any and all liability of any kind incurred by or imputed to Buyer under Section 5, "Fraudulent Claims," of the Contract Disputes Act of 1978, as

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Supplement 1 – Government Contract Provisions from the Federal Acquisition Regulation (FAR)

- amended, if Seller is unable to support any part of its claim and it is determined that such inability is attributable to fraud or misrepresentation of fact on the part of Seller.
- iii. Pending any prosecution, appeal, or final decision or settlement of any dispute arising under this purchase order, the Seller shall proceed diligently, as directed by Buyer, with the performance of this purchase order.
 - iv. Nothing in this clause nor any authorization or offer that may be made shall be deemed to constitute acceptance or acknowledgment by Buyer of the validity of Seller's claim or any part thereof, nor be deemed to limit or in any way restrict Buyer from taking any actions, including available remedies, it deems appropriate to protect its own interests.
 - v. As used in this clause, the word "appeal" means an appeal taken under the contract Disputes Act of 1978, as amended.

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Supplement 2 – Government Contract Provisions from the Department of Defense Federal Acquisition Regulation

When the materials or products furnished are for use in connection with a U. S. Government Department of Defense contract or subcontract, in addition to the General Provisions and the FAR provisions, the following provisions shall apply, as required by the terms of the prime contract or by operation of law or regulation. In the event of a conflict between these DFARS provisions and the General Provisions or the FAR provisions, the DFARS provisions shall control.

The following clauses set forth in the DFARS in effect as of the date of the prime contract are incorporated herein by reference. In all clauses listed herein, the terms “Government”, “Contracting Officer” and “Contractor” shall be revised to suitably identify the contracting parties under this purchase order and effect the proper intent of the provision except where further clarified or modified below. “Subcontractor”, however, shall mean “Seller’s Subcontractor” under this purchase order. The Seller, by signing its offer, hereby certifies compliance with the following clauses and is, therefore, eligible for award.

Title of Clause	DFARS
1. Disclosure of Information	252.204-7000
2. Alternate A, Central Contractor Registration	252.204-7004
3. Requirements for Contracts Involving Export-Controlled Items	252.204-7008
4. Requirements Regarding Potential Access to Export-Controlled Items	252.204-7009
5. Intent to Furnish Precious Metals as Government-Furnished Material	252.208-7000
6. Disclosure of Ownership or control by a foreign government	252.209-7002
7. Limitations on Contractors Acting as Lead System Integrators	252.209-7006
8. Prohibited Financial Interests for Lead System Integrators	252.209-7007
9. Item Identification and Valuation	252.211-7003
10. Radio Frequency Identification	252.211-7006
11. Reporting of Government-Furnished Equipment in the DoD Item Unique Identification (IUID) Registry	252.211-7007
12. Contract Terms and Conditions required to Implement Statutes or Executive Orders applicable to Defense acquisitions of Commercial Items	252.212-7001
13. Pricing Adjustments	252.215-7000
14. Cost Estimating System Requirements	252.215-7002
15. Excessive Pass-Through Charges – Identification of Subcontract Effort	252.215-7003
16. Excessive Pass-Through Charges	252.215-7004
17. Restrictions on Employment of Personnel	252.222-7000
18. Hazard Warning Labels (fill in State where this purchase order will be performed)	252.223-7001
19. Safety Precautions for Ammunition and Explosives	252.223-7002
20. Change in Place of Performance - Ammunition and Explosives	252.223-7003
21. Drug-Free Work Force	252.223-7004
22. Prohibition on Storage and Disposal of Toxic and Hazardous Materials	252.223-7006
23. Safeguarding Sensitive Conventional Arms, Ammunition and Explosives	252.223-7007
24. Buy American Act – Balance of Payments Program Certificates	252.225-7000
25. Buy American Act and Balance of Payments Program	252.225-7001
26. Qualifying Country Sources as Subcontractors	252.225-7002
27. Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies	252.225-7007
28. Duty Free Entry	252.225-7013
29. Preference for Domestic Specialty Metals (Alt 1)	252.225-7014
30. Restriction on Acquisition of Ball and Roller Bearings	252.225-7016
31. Restriction on Acquisition of Foreign Anchor and Mooring Chain	252.225-7019
32. Trade Agreements – Certificate	252.225-7020
33. Trade Agreements	252.225-7021
34. Trade Agreements (Alternate I)	252.225-7021

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Supplement 2 – Government Contract Provisions from the Department of Defense Federal Acquisition Regulation

Title of Clause	DFARS
35. Trade Agreement Certificate – Inclusion of Iraqi End Products	252.225-7022
36. Restriction on the Acquisition of Forgings	252.225-7025
37. Restriction on Contingent Fees for Foreign Military Sales (blank is filled in “zero”)	252.225-7027
38. Exclusionary Policies and Procedures of Foreign Governments	252.225-7028
39. Restriction on Acquisition of Carbon Alloy and Armor Steel Plate	252.225-7030
40. Secondary Arab Boycott of Israel	252.225-7031
41. Buy American Act – Free Trade Agreements – Balance of Payments Program Certificate	252.225-7035
42. Buy American Act – Free Trade Agreements – Balance of Payments Program	252.225-7036
43. Contractor personnel Authorized to Accompany U.S. Armed Forces Deployed Outside the United States	252.225-7040
44. Antiterrorism / force Protection Policy for Defense Contractors Outside the United States	252.225-7043
45. Rights in Technical Data - Noncommercial Items	252.227-7013
46. Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation	252.227-7014
47. Technical Data - Commercial Items	252.227-7015
48. Rights in Bid or Proposal Information	252.227-7016
49. Identification and Assertion of Use, Release, or Disclosure Restrictions	252.227-7017
50. Rights in Noncommercial Technical Data and Computer Software – Small Business Innovation Research (SBIR) Program	252.227-7018
51. Validation of Asserted Restrictions - Computer Software	252.227-7019
52. Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends	252.227-7025
53. Deferred Delivery of Technical Data or Computer Software	252.227-7026
54. Deferred Ordering of Technical Data or Computer Software	252.227-7027
55. Technical Data or Computer Software Previously Delivered to the Government	252.227-7028
56. Technical Data--Withholding of Payment	252.227-7030
57. Rights in Shop Drawings	252.227-7033
58. Validation of Restrictive Markings on Technical Data	252.227-7037
59. Patents – Reporting of Subject Inventions	252.227-7039
60. Ground and Flight Risk	252.228-7001
61. Aircraft Flight Risks	252.228-7002
62. Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles	252.228-7005
63. Reporting of Foreign Taxes – U.S. Assistance Programs	252.229-7011
64. Supplemental Cost Principles (first tier subcontractors only)	252.231-7000
65. Frequency Authorization	252.235-7003
66. Frequency Authorization (Alternate I)	252.235-7003
67. Training for Contract personnel Interacting with Detainees	252.237-7019
68. Protection Against Compromising Emanations	252.239-7000
69. Information Assurance Contractor Training and Certification	252.239-7001
70. Telecommunications Security Equipment, Devices, Techniques, and Services	252.239-7016
71. Pricing of Contract Modifications	252.243-7001
72. Subcontracts for Commercial Items and Commercial Components (DoD contracts)	252.244-7000
73. Material Inspection and Receiving Report	252.246-7000
74. Notification of Transportation of Supplies by Sea	252.247-7024

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Title of Clause	DFARS
ORDERS OVER \$100,000 ALSO INCLUDE THE FOLLOWING:	
75. Prohibition on persons convicted of Fraud or other Defense – Contract- related felonies	252.203-7001
76. Disclosure of ownership or control by the government of a Terrorist Country	252.209-7001
77. Preference for Certain Domestic Commodities	252.225-7012
78. Restriction on Acquisition of Hand or Measuring Tools	252.225-7015
79. Requests for Equitable Adjustment	252.243-7002
80. Representation of Extent of Transportation by Sea	252.247-7022
81. Transportation of Supplies by Sea	252.247-7023
82. Notification of Anticipated Contract Termination or Reduction	252.249-7002
ORDERS OVER \$ 500,000 ALSO INCLUDE THE FOLLOWING:	
83. Small Business Subcontracting Plan (DoD contracts) (over \$550k)	252.219-7003
84. Report of Intended Performance Outside the United States and Canada – Submission with Offer (over \$550k)	252.225-7003
85. Report of Intended performance Outside the United States and Canada – Submission after Award (over \$550k)	252.225-7004
86. Quarterly Reporting of Actual Contract Performance Outside the United States	252.225-7006
87. Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns	252.226-7001
ORDERS OVER \$1,000,000 ALSO INCLUDE THE FOLLOWING:	
88. Acquisition Streamlining	252.211-7000
89. Waiver of United Kingdom Levies – Evaluation of Offers	252.225-7032
90. Waiver of United Kingdom Levies	252.225-7033