

GENERAL TERMS & CONDITIONS
Fixed Price (FP 10/01)

PART 1. APPLICABLE TO ALL TRANSACTIONS

1.1 DEFINITIONS

The following terms shall have the meanings below:

- (a) Government means the United States of America and includes the U. S. Department of Energy (DOE) or any duly authorized representative thereof.
- (b) Company means BWXT Y-12, L.L.C., acting under Contract No. DE-AC05-00OR22800.
- (c) Seller means the person or organization that has entered into this Agreement.
- (d) Agreement means Purchase Order, Subcontract, Price Agreement, AVID Agreement, Basic Ordering Agreement, or Modification thereof.
- (e) Subcontract Administrator means Company's cognizant Procurement representative.
- (f) Educational Institution means an entity described in Office of Management and Budget Circular No. A-21.

1.2 RESOLUTION OF DISPUTES

(a) Seller and Company agree to make good-faith efforts to settle any dispute or claim that arises under this Agreement through discussion and negotiation. If such efforts fail to result in a mutually agreeable resolution, the parties shall consider the use of alternative disputes resolution (ADR). In the event non-binding mediation or arbitration is agreed upon, the site of the proceedings shall be Oak Ridge, Tennessee. Cost shall be allocated by the mediator or arbitrator, except that there shall be no pre-decisional interest costs, and each party shall bear its discretionary costs.

(b)(1) Where Seller is a State agency, such as an **Educational Institution**, the applicable constitutional provisions or statutes that govern sovereign immunity shall dictate the appropriate forum and law governing substantive issues. (2) In all other cases, subject to (b)(3) below, any litigation shall be brought and prosecuted exclusively in Federal District Court, with venue in the United States Court for the Eastern District of Tennessee, Northern Division; (3) provided, however, that in the event the requirements for jurisdiction in Federal District Court are not present, such litigation shall be brought in either Anderson, Knox or Roane County, Tennessee, in the Circuit or Chancery Court, as appropriate.

(c) The parties agree that, subject to (b)(1), substantive issues presented for mediation, arbitration, dispute, claim, litigation, or other effort at resolution shall be determined in accordance with the laws of the State of Tennessee except for Federal Acquisition Regulation (FAR) and Department of Energy Acquisition Regulation (DEAR) clauses which shall be determined in accordance with federal law. Article 2 of the Uniform Commercial Code as adopted by the state law governing substantive issues shall apply to services performed under this Agreement.

(d) There shall be no interruption in the performance of the work, and Seller shall proceed diligently with the performance of this Agreement pending final resolution of any dispute arising under this Agreement between the parties hereto or between Seller and its subtier subcontractors.

1.3 ORDER OF PRECEDENCE

Any inconsistencies shall be resolved in accordance with the following descending order of precedence: (1) Articles of the Subcontract or provisions of the Purchase Order (including alterations and special provisions therein), (2) Special Terms and Conditions attached thereto, (3) General Terms and Conditions, (4) Statement of Work or description of services and/or supplies.

1.4 TITLE AND ADMINISTRATION

Any right and/or interest which is acquired under the terms of this Agreement shall pass directly from Seller to the Government. Company shall make payments under this Agreement from funds advanced by the Government and agreed to be advanced by DOE, and not from its own assets. Administration of this Agreement may be transferred, in whole or in part, to DOE or its designee(s), and to the extent of such transfer and notice thereof to Seller, Company shall have no further responsibilities hereunder.

1.5 ACCEPTANCE OF TERMS AND CONDITIONS

Seller, by signing this Agreement, delivering the supplies, or performing the requirements indicated herein, agrees to comply with all the terms and conditions and all specifications and other documents that this Agreement incorporates by reference or attachment. Company hereby objects to any terms and conditions contained in any acknowledgment of this Agreement that are different from or in addition to those mentioned in this document. Failure of Company to enforce any of the provisions of this Agreement shall not be construed as evidence to interpret the requirements of this Agreement, nor a waiver of any requirement, nor of the right of Company to enforce each and every provision. All rights and obligations shall survive final performance of this Agreement.

1.6 WARRANTY

Except for **research and development**, and notwithstanding inspection and acceptance by the Company under any provision of this Agreement, Seller warrants that services performed and the supplies furnished under this Agreement shall be free from defects in workmanship, be in accordance with Seller's affirmation, description, sample, or model, and compliant with all requirements of this Agreement. The warranty for services shall begin on acceptance and extend for 6 months. The warranty for supplies shall begin upon acceptance and extend for a period of (1) the manufacturer's warranty period or six months, whichever is longer, if Seller is not the manufacturer and has not modified the supply or (2) one year or the manufacturer's warranty period, whichever is longer, if Seller is the manufacturer of the supply or has modified it. If any nonconformity appears within that time, Company, in addition to any other rights and remedies provided by law, or under other provisions of this Agreement, may require Seller, at no increase in price, to (1) reperform the services and correct or replace the supplies or (2) reduce the Agreement price to reflect the reduced value of Seller's performance. When supplies are returned, Seller shall bear the transportation cost. If within 10 days of Company's written notice, Seller fails to reperform or correct or replace, as required, Company shall have the right by contract or otherwise to perform the services, replace or correct such supplies, and charge to Seller the cost occasioned the Company thereby and/or terminate this Agreement for default. Any implied warranties of merchantability and fitness for a particular purpose are hereby disclaimed.

1.7 ASSIGNMENT

Seller shall not assign rights or obligations to third parties without the prior written consent of Company. However, Seller may assign rights to be paid amounts due or to become due to a financing institution if Company is promptly furnished written notice and a signed copy of such assignment.

1.8 NEW MATERIALS

Unless this Agreement otherwise requires virgin material or supplies composed of or manufactured from virgin material, Seller shall provide supplies that are new. Used, reconditioned, remanufactured supplies, or unused former Government surplus property shall not be used unless Company has authorized use of such items. Applicable meanings of new, reconditioned, recovered material, remanufactured, and virgin material are defined in FAR 52.211-5, Material Requirements.

1.9 TRANSPORTATION

If transportation is specified "FOB Origin," (a) no insurance cost shall be allowed unless authorized in writing and (b) the bill of lading shall indicate that transportation is for DOE and the actual total transportation charges paid to the carrier(s) by Company shall be reimbursed by the Government pursuant to Contract No. DE-AC05-00OR22800. Confirmation may be made by the DOE Oak Ridge Operations Office, Procurement and Contracts Division, P.O. Box 2001, Oak Ridge, TN 37831-8756.

1.10 RISK OF LOSS

Where Company is liable to Seller for loss of conforming supplies occurring after the risk of loss has passed to Company, Company shall pay Seller the lesser of (1) the agreed price of such supplies, or (2) Seller's cost of replacing such supplies. Such loss shall entitle Seller to an equitable extension in delivery schedule obligations.

1.11 PAYMENT

Unless otherwise provided, terms of payment shall be net 30 days from the latter of (1) submission of Seller's proper invoice, if required (unless such invoice is not approved), or (2) delivery of supplies/completion of work if invoice is not required. Unless otherwise agreed, Seller's invoices must be submitted not later than 3 years after delivery of supplies/completion of work. Any offered discount shall be taken if payment is made within the discount period that Seller indicates. Payments may be made either by check or electronic funds transfer, at the option of Company. Payment shall be deemed to have been made as of the date of mailing or the date on which an electronic funds transfer was made.

1.12 COMPLIANCE WITH LAWS

(a) Seller shall comply with all applicable federal, state, and local laws and ordinances and all pertinent orders, DOE directives, rules, and regulations (including DOE regulations) and such compliance shall be a material requirement of this Agreement. Seller shall, without additional Company expense, be responsible for obtaining any necessary licenses and permits including without limitation, underground utility permit requirements. Seller warrants that each chemical substance constituting or contained in items furnished under this Agreement is on the list of substances published by the Administrator of the Environmental Protection Agency pursuant to the Toxic Substances Control Act as amended. With each delivery Seller shall provide Company any applicable Material Safety Data Sheet as required by the Occupational Safety and Health Act and applicable regulations including, without exception, 29 CFR 1910.1200. Seller shall perform the work under this Agreement in a manner that is safe, healthy, and environmentally acceptable, and shall develop and manage a comprehensive program in support of these objectives.

(b) Seller shall include this clause in all subcontracts, at any tier, involving the performance of this Agreement.

1.13a TERMINATION FOR DEFAULT

(a) Except for agreements with **educational** and other non-profit **institutions**, Company may terminate this Agreement for default, in whole or in part, if, after 10 days from Company's written notice, Seller fails to comply with any of the terms of this Agreement, fails to make progress, so as to endanger performance of this Agreement, or fails to provide adequate assurance of future performance. In that event, Company shall not be liable for any services or supplies not accepted.

(b) If this Agreement is terminated for default, Company may require Seller to deliver to Company any supplies and materials, manufacturing materials, and manufacturing drawings that Seller has specifically produced or acquired for the terminated portion of this Agreement. Company shall pay the agreed-upon price for services performed and accepted in addition to completed supplies delivered and accepted. Company and Seller shall agree on the amount of payment for all other deliverables.

(c) Seller shall not be liable to Company for delays in performance occasioned by causes beyond Seller's reasonable control and without its fault or negligence. However, the delays of Seller's suppliers at any tier must be proved to be beyond the control of both Seller and its suppliers and without fault or negligence of either.

(d) The rights and remedies of Company in this clause are in addition to any other rights and remedies provided by law or under this Agreement.

1.13b TERMINATION FOR CONVENIENCE

Company reserves the right to terminate this Agreement, or any part hereof, for the convenience of itself or the Government. In the event of such termination, the Subcontract Administrator shall deliver a notice specifying the extent and effective date. Seller shall immediately stop all work terminated and shall immediately cause any and all of its affected suppliers and subcontractors to cease work. Subject to the terms of this Agreement, Seller shall be paid a percentage of the price reflecting the percentage of the work performed prior to the notice of termination, plus reasonable charges that Seller can demonstrate to the satisfaction of Company using its standard record keeping system, have resulted from the termination. Seller shall within 6 months of the effective date of the termination submit a final settlement proposal to Company. Seller shall not be paid for any work performed or costs incurred which reasonably could have been avoided. In no event shall the agreed amount exceed the total price of the Agreement.

1.14 BANKRUPTCY

If Seller enters into any proceeding relating to bankruptcy, it shall give written notice via certified mail to the Subcontract Administrator within five days of initiation of the proceedings. The notification shall include the date on which the proceeding was filed, the identity and location of the court and a listing, by Company Agreement numbers, of all Company agreements for which final payment has not been made.

1.15 INCORPORATION BY REFERENCE

This Agreement incorporates certain provisions by reference. These articles and clauses apply as if they were set forth in their entirety. For FAR and DEAR provisions incorporated by reference, "Contractor" means Seller and "Contracting Officer" means Subcontract Administrator. Company clauses incorporated by reference are available from Company's Procurement Internet Home Page (<http://www.y12.doe.gov/procurement-ext>). The FAR and DEAR may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., or from Government web sites (<http://www.arnet.gov/far/>) for FAR and (<http://www1.pr.doe.gov/Dear/dear.html>) for DEAR.

The following clauses are incorporated by reference:

FAR 52.209-6 Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or

Proposed for Debarment (JUL 1995) except for paragraph (b)

FAR 52.215-15 Pension Adjustments & Asset Reversions (DEC 1998)

FAR 52.222-20 Walsh-Healy Public Contracts Act (DEC 1996)

FAR 52.222-21 Prohibition of Segregated Facilities (FEB 1999)

FAR 52.222-26 Equal Opportunity (FEB 1999) (The required poster is available at:

<http://www.dol.gov/dol/esa/public/regs/compliance/posters/eeo.htm>)

FAR 52.222-35 Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (APR 1998)

FAR 52.222-36 Affirmative Action for Workers With Disabilities (JUN 1998)

FAR 52.222-37 Employment Reports on Disabled Veterans and Veterans of the Vietnam Era (JAN 1999)

FAR 52.225-1 Buy American Act-Balance of Payments Program-Supplies (FEB 2000)

FAR 52.225-8 Duty-Free Entry (FEB 2000)

FAR 52.225-13 Restrictions on Certain Foreign Purchases (FEB 2000)

FAR 52.244-6 Subcontracts for Commercial Items and Commercial Components (OCT 1998)

FAR 52.247-63 Preference for U.S. Flag Carriers (JAN 1997)

DEAR 952.247-70 Foreign Travel (FEB 1997) - "Contracting Officer" means DOE

DEAR 970.5204-9 Accounts, Records and Inspection (JUN 1996)

DEAR 970.5204-60 Facilities Management (NOV 1997)

DEAR 970.5204-79 Access to and Ownership of Records (JUN 1997)

Taxes: Fixed-Price (Company-11/96)

Counterfeit/Suspect Materials (Company-12/99)

Hazardous Material Identification and Material Safety Data (Company-11/00)

1.16 CHANGES

(a) Company may at any time, by written notice, make changes within the general scope of this Agreement in any one or more of the following: (1) description of the work to be performed; (2) method and manner of performance and (3) the amount of work to be furnished. If any such change causes a difference in the cost, or the time required for performance, an equitable adjustment shall be made in the price and/or delivery schedule and other affected provisions. Such adjustment shall be made by written amendment to this Agreement signed by both parties. Any claim for adjustment by Seller must be made within 30 days from the date of receipt of Company's change notice, although Company in its sole discretion may receive and act upon any claim for adjustment at any time before final payment. Failure to agree to any adjustment shall be settled in accordance with Part 1.2.

(b) Only the Subcontract Administrator is authorized on behalf of Company to issue changes whether formal or informal. If Seller considers that any direction or instruction by Company personnel constitutes a change, Seller shall not rely upon such instruction or direction without written confirmation from the Subcontract Administrator. Nothing in this clause, including any disagreement with Company about the equitable adjustment, shall excuse Seller from proceeding with the Agreement as changed.

1.17 SUSPENSION OF WORK

(a) The Subcontract Administrator, may, at any time, by written notice to Seller, require Seller to suspend, delay, or interrupt all or any portion of the work called for by this Agreement for a period up to 90 days after the notice is delivered to Seller, or for any other period to which the parties may agree. Upon receipt of the notice, Seller shall immediately comply with its provisions and take all reasonable steps, as directed by the Subcontract Administrator, to minimize the incurrence of costs associated with such suspension.

(b) Prior to the expiration of the suspension notice, Company shall either: (1) cancel or extend the notice; or (2) terminate the work covered by the notice as provided in Part 1.13 of this Agreement. If the suspension notice is canceled or allowed to expire, Seller shall resume work. Any claim by Seller resulting from a Suspension of Work Notice shall be governed by Part 1.16 of this Agreement.

1.18a PUBLIC RELEASE OF INFORMATION

Except as provided in the Statement of Work, work description, statutory requirement, or other provisions of this Agreement, no public release of information, including, without limitation, data, photographs, sketches, and advertising, announcements, denials or confirmations related to the work under this Agreement shall be made without the prior written approval of Company. Any request for approval shall include identity of the specific media as well as other pertinent details of the requested release.

1.18b. CONFIDENTIALITY OF INFORMATION

(a) To the extent that work under this Agreement requires that Seller be given access to confidential or proprietary business, technical, or financial information belonging to the Government or Company, Seller shall after receipt thereof, treat such information as confidential and agrees not to appropriate such information to its own use or to disclose such information to third parties unless specifically authorized by Company in writing. The foregoing obligations, however, shall not apply to (1) information which, at the time of receipt by Seller is in public domain; (2) information which is published after receipt thereof by Seller or otherwise becomes part of the public domain through no fault of Seller; (3) information which Seller can demonstrate was in its possession at time of receipt thereof and was not acquired directly or indirectly from Government or Company; (4) information which Seller can demonstrate was received by it from a third party who did not require Seller to hold it in confidence.

(b) Seller shall obtain written agreement, in a form satisfactory to Company, of each employee permitted access, whereby the employee agrees that he will not discuss, divulge or disclose any such information or data to any person or entity except those persons within Seller's organization directly concerned with performance of this Agreement.

(c) Seller agrees, if requested by Company or DOE, to sign an agreement identical, in all material respects, to the provisions of this clause, with each company supplying information to Seller under this Agreement, and to supply a copy of such agreement to Company.

(d) Seller agrees that upon request by Company or DOE, it will execute a DOE-approved agreement with any party whose facilities or proprietary data it is given access to or is furnished, restricting use and disclosure of the data or the information obtained from the facilities. Upon request by Company or DOE, such an agreement shall also be signed by Seller's personnel.

(e) This clause shall flow down to all appropriate lower-tier subcontracts.

1.19 GOVERNMENT PROPERTY

(a) Company may furnish to Seller property as may be required for performance of work under this Agreement, or have

Seller acquire such property as mutually agreed. Title to property furnished or acquired shall vest in the Government, and hereafter be referred to as "Government property." If Seller purchases property for which it is entitled to be reimbursed as a direct item of cost, title shall pass to the Government upon delivery of the property to Seller. Title to all other property, the cost of which is reimbursable to Seller, shall pass to the Government upon the earliest of (1) issuance of property for use in performance, (2) processing property for use in performance, or (3) reimbursement of cost of property. Title shall not be affected by the incorporation or attachment to any property not owned by the Government, nor shall any Government property become a fixture or lose its identity because it is affixed to any realty.

(b) Company shall deliver to Seller the Government property stated in this Agreement. If the property is not suitable for its intended use or is not delivered to Seller as specified in this Agreement, Company shall equitably adjust affected provisions when the facts warrant an equitable adjustment and Seller submits a written request for such adjustment within 14 calendar days of delivery of the Government property. Said equitable adjustment shall be Seller's exclusive remedy.

(c) Seller shall establish and maintain a property control program for use, maintenance, repair, protection and preservation of Government property consistent with good business practices and as may be prescribed by Company until disposed of in accordance with this clause. Seller shall cause all Government property to be clearly marked as Government property. Except as may be authorized in writing, Government property shall be used only for the performance of this Agreement.

(d) Responsibility for loss or damage to Government property shall be determined in accordance with the laws applicable to this Agreement under Part 1.2. Company and the Government shall have access at all reasonable times to the premises where any Government property is located for the purpose of inspecting the property.

(e) Upon completion of the work under this Agreement, Seller shall submit, in a form acceptable to Company, inventory schedules covering all Government property not consumed in the performance of this Agreement (including any scrap). Seller shall hold the same at no charge for a period up to 60 days or a longer period if mutually agreed. After this, Seller shall dismantle, prepare for shipment, and at Company direction, store or deliver said property (at Company expense), or make such other disposal of the property as directed by Company. The net proceeds of any such disposal shall be credited to the cost of the work covered by this Agreement or shall be paid as Company may direct.

1.20 DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS

This is a rated order certified for national defense, and Seller shall follow all the requirements of the Defense Priorities and Allocations System regulation (15 CFR 700). Unless otherwise stated the Defense Priority is DO-E2.

1.21 INTEREST

Except for **educational** and non-profit **institutions**, all amounts due to Company by Seller shall accrue interest from the date due until paid, unless paid within 30 days of the date due. The interest rate shall be the rate established by the Secretary of the Treasury under Section 12 of the Contract Disputes Act of 1978 (Public Law 95-563) as of the date due, which rate shall be adjusted every six months. This clause shall not apply to amounts due under a price reduction for defective cost or pricing data clause.

1.22 SELLER'S RESPONSIBILITIES

(a) Seller shall act in performance of this Agreement as an independent contractor and not as an agent for Company or the Government in performing this Agreement, maintaining complete control over its employees and all lower-tier subcontractors. Nothing contained in this Agreement or any lower-tier subcontract shall create any contractual relationship between any such lower-tier subcontractor and the Government or Company. Seller is solely responsible for the actions of itself and its lower-tier subcontractors, agents or employees.

(b) Seller shall be solely responsible for all liability and related expenses resulting from injury, death, damage to, or loss of property which is in any way connected with the negligent performance of work under this Agreement. Seller shall also be responsible for all materials and work until acceptance by Company. Seller's responsibility shall apply to activities of Seller, its agents, lower-tier subcontractors, or employees and such responsibility includes the obligation to indemnify, defend, and hold harmless the Government and the Company. However, such liability and indemnity does not apply to injury, death, or damage to property to the extent it arises from the conduct of Company.

(c) If Seller is a State agency, such as an **Educational Institution**, all liabilities and remedies shall be determined in accordance with the laws applicable to this Agreement under Part 1.2.

1.23 INSPECTION

(a) Company has the right to inspect and test all services and supplies called for by this Agreement at all places and times, including the period of manufacture or performance, and in any event before acceptance. If Company specifies an inspection system elsewhere in this Agreement, Seller shall provide and maintain such inspection system covering services and supplies under this Agreement and shall provide only services and supplies that have been found to conform to the requirements of this Agreement. Complete records of all inspections shall be maintained and made available to Company during performance and for as long as Agreement requires. Company shall perform inspections and tests in a manner that will not unduly delay the work. Company assumes no contractual obligation to perform any inspection or test for Seller's benefit unless specifically set forth elsewhere in this Agreement. Company failure to inspect the services and supplies shall not relieve Seller from responsibility, nor impose liability on Company, for nonconformity. If Company performs inspection or test on the premises of Seller or a subcontractor, Seller shall cause to be furnished, without additional charge, all reasonable facilities and assistance for the safe and convenient performance of these duties.

(b) Except for **research** and **development**, Company may reject or require correction of any nonconformity. If Seller is not ready for inspection at the time specified by Seller, or if prior rejection makes reinspection or retest necessary, Company may charge Seller the additional cost of inspection or test. Seller shall not tender for acceptance corrected or rejected services or supplies without disclosing the former rejection or requirement for correction, and shall disclose the corrective action taken.

(c) Except for **research** and **development**, Company, in addition to any other rights and remedies provided by law, or under other provisions of this Agreement, may require Seller, at no increase in subcontract price, to (1) reperform the non-conforming services and correct or replace the non-conforming supplies or (2) reduce the Agreement price to reflect the reduced value of Seller's performance. When supplies are returned, Seller shall bear the transportation cost. If within 10 days of Company's written notice, Seller fails to reperform or correct or replace, as required, Company shall have the right by contract or otherwise to perform the services, replace or correct such supplies, and charge to Seller the cost occasioned the Company thereby and/or terminate this Agreement under the provisions of Part 1.13a.

1.24 REPORTING TO AND COOPERATING WITH DOE

(a) Seller and its employees shall cooperate fully and promptly with requests from the DOE Office of Inspector General (OIG) for information and data relating to DOE programs and operations and shall (i) comply with requests by the OIG for interviews, briefings, and other such documentation as may be requested and permitted by law, and (ii) not impede or hinder another employee's cooperation with the OIG.

(b) Seller shall publicize the OIG hotline telephone number and notify its employees annually to (i) report allegations of fraud, waste, abuse, misuse, corruption, criminal acts, or mismanagement relating to DOE programs, operations, facilities, contracts, or information technology systems to appropriate authorities, and (ii) report directly to the OIG any information concerning alleged wrongdoing by DOE employees and DOE contractors and subcontractors and their employees. Reports referred to Federal, State or local law enforcement entities must be reported to the OIG within 24 hours of the referral.

(c) Seller must ensure that reprisals are not taken against employees who cooperate with or disclose information to the OIG or who report fraud, waste, abuse, misuse, corruption, criminal acts, or mismanagement relating to DOE programs, operations, facilities, contracts, or information technology systems and shall report to the OIG any allegations of reprisals.

PART 2. APPLICABLE WHEN SELLER PERSONNEL WORK ON DOE SITE

2.1 INCORPORATION BY REFERENCE

For information on clauses incorporated by reference, see Part 1.15.

The following clauses are incorporated by reference:

DEAR 970.5204-2 Integration of Environment, Safety, and Health Into Work Planning & Execution (JUN 1997) (if work is complex or hazardous)

DEAR 952.223-75 Preservation of Individual Occupational Radiation Exposure Records (APR 1984)

DEAR 970.5204-58 Workplace Substance Abuse Programs at DOE Sites (AUG 1992)

DEAR 970.5204-59 Whistleblower Protection for Contractor Employees (APR 1999)

Foreign Nationals (Company-12/99)

Hazardous Materials Reporting (Company-11/00)

Insurance - Work on a Government Installation (Company 1/97)

Required Training (Company-11/00)

Safety and Health (Company-11/00)

PART 3. APPLICABLE WHEN WORK INVOLVES ACCESS TO CLASSIFIED INFORMATION, SPECIAL NUCLEAR MATERIAL OR AUTHORIZED UNRESTRICTED ACCESS TO AREAS CONTAINING THESE

3.1 INCORPORATION BY REFERENCE

For information on clauses incorporated by reference, see Part 1.15.

The following clauses are incorporated by reference:

DEAR 952.204-2 Security (SEP 1997)

DEAR 952.204-70 Classification/Declassification (SEP 1997)

DEAR 952.204-73 Facility Clearance (AL 99-03)

DEAR 952.204-74 Foreign Ownership, Control, or Influence over Contractor (AL 99-03)

Exhibit 7 Classified Inventions (Company 5/80)

FAR 52.227-10 Filing of Patent Applications-Classified Subject Matter (APR 1984)

DEAR 970.5204-1 Security - Counterintelligence (SEP 1997)

3.2 SENSITIVE FOREIGN NATIONS CONTROLS

(a) In connection with any activities in the performance of this Agreement, Seller agrees to comply with the "Sensitive Foreign Nations Controls" requirements furnished to Seller by Company, relating to those countries, which may from time to time, be identified to Seller by written notice as sensitive foreign nations. Seller shall have the right to terminate its performance under this Agreement upon at least 60 days' prior written notice to Company if Seller determines that it is unable, without substantially interfering with its policies or without adversely impacting its performance, to continue performance of the work under this Agreement as a result of such notification. If Seller elects to terminate performance, the provisions of Part 1.13b shall apply.

(b) The provisions of this clause shall be included in applicable subcontracts.

PART 4. APPLICABLE TO ALL AGREEMENTS IN EXCESS OF \$100,000

4.1 INCORPORATION BY REFERENCE

For information on clauses incorporated by reference, see Part 1.15.

The following clauses are incorporated by reference:

FAR 52.203-6 Restrictions on Subcontractor Sales to the Government (JUL 1995)

FAR 52.203-7 Anti-Kickback Procedures (JUL 1995)

FAR 52.203-12 Limitation on Payments to Influence Certain Federal Transactions (JUN 1997)

FAR 52.215-2 Audit and Records - Negotiation (JUN 1999) including Alternate II for state and local governments, educational institutions, and other non-profit organizations.

FAR 52.219-8 Utilization of Small Business Concerns (OCT 1999)

FAR 52.222-4 Contract Work Hours and Safety Standards Act - Overtime Compensation (JUL 1995)

FAR 52.223-6 Drug-Free Workplace (May 2001)

FAR 52.223-14 Toxic Chemical Release Reporting (OCT 1996), except paragraph (e)

FAR 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (AUG 1996)

FAR 52.247-64 Preference for Privately Owned U.S.- Flag Commercial Vessels (JUN 1997)

PART 5. APPLICABLE TO ALL AGREEMENTS IN EXCESS OF \$500,000

5.1 INCORPORATION BY REFERENCE

For information on clauses incorporated by reference, see Part 1.15.

The following clauses are incorporated by reference:

FAR 52.215-10 Price Reduction for Defective Cost or Pricing Data (OCT 1997)

FAR 52.215-12 Subcontractor Cost or Pricing Data (OCT 1997)

FAR 52.219-9 Small Business Subcontracting Plan (OCT 1999)

FAR 52.222-29 Notification of Visa Denial (FEB 1999)

DEAR 952.226-74 Displaced Employee Hiring Preference (JUN 1997)

DEAR 970.5204-77 Workforce Restructuring Under Section 3161 of the National Defense Authorization Act for FY1993
(JUN 1997)

PART 6. APPLICABLE ONLY TO CERTAIN AGREEMENTS

6.1 INCORPORATION BY REFERENCE

For information on clauses incorporated by reference, see Part 1.15.

6.2 PRINTING

If this Agreement involves the duplication of more than 5,000 copies of a single page or more than 25,000 copies of multiple pages, this Agreement incorporates by reference DEAR 970.5204-19 Printing (APR 1984).

6.3 NUCLEAR HAZARDS INDEMNITY

If performance involves risk of public liability for a nuclear incident or precautionary evacuation and Seller is not subject to Nuclear Regulatory Commission (NRC) financial protection requirements or NRC indemnification, this Agreement incorporates by reference DEAR 952.250-70 Nuclear Hazards Indemnity Agreement. For purposes of incorporation, subcontractor means lower-tier subcontractor.

6.4 PRIVACY ACT

If performance involves design, development or operation of a system of records on individuals, this Agreement incorporates by reference FAR 52.224-1 Privacy Act Notification (APR 1984); and FAR 52.224-2 Privacy Act (APR 1984).

6.5 COMMERCIAL COMPUTER SOFTWARE

If performance involves acquisition of existing computer software, the following Company Exhibit is incorporated by reference: CCS Commercial Computer Software (11/00).

6.6 EQUAL OPPORTUNITY PREAMWARD CLEARANCE OF SUBCONTRACTORS

Notwithstanding any other provisions of this Agreement, if the estimated or actual amount of the Agreement exceeds \$10 million, Company must have written evidence of Seller's compliance with the equal opportunity requirements of FAR 52.222-26 Equal Opportunity.