

NOVATION AGREEMENT

The **ABC CORPORATION** (Transferor), a corporation duly organized and existing under the laws of _____ [insert state] with its principal office in _____ [insert city]; the XYZ CORPORATION (Transferee), [if appropriate add "formerly known as the EFG CORPORATION"] a corporation duly organized and existing under the laws of _____ [insert state] with its principal office in _____ [insert city]; and UT-Battelle (Company), a corporation duly organized and existing under the laws of Tennessee with an office in Oak Ridge, Tennessee, acting under [insert language designating parties] with the UNITED STATES OF AMERICA (Government) represented by the Department of Energy, enter into this Agreement as of _____ [insert the date transfer of assets became effective under applicable state law].

(a) THE PARTIES AGREE TO THE FOLLOWING FACTS:

(1) The Company has entered into certain subcontracts with the Transferor, namely: _____ [insert subcontract or purchase order identifications]; [or delete "namely" and insert "as shown in the attached list marked 'Exhibit A' and incorporated in this Agreement by reference"]. The term "the subcontracts," as used in this Agreement, means the above subcontracts and purchase orders and all other subcontracts and purchase orders, including all modifications, made between the Company and the Transferor before the effective date of this Agreement (whether or not performance and payment have been completed and releases executed if the Company and the Government or the Transferor has any remaining rights, duties, or obligations under these subcontracts and purchase orders). Included in the term "the subcontracts" are also all modifications made under the terms and conditions of these subcontracts and purchase orders between the Company and the Transferee, on or after the effective date of this Agreement.

(2) As of _____, 19_____, the Transferor has transferred to the Transferee all the assets of the Transferor by virtue of a _____ [insert term descriptive of the legal transaction involved] between the Transferor and the Transferee.

(3) The Transferee has acquired all the assets of the Transferor by virtue of the above transfer.

(4) The Transferee has assumed all obligations and liabilities of the Transferor under the subcontracts by virtue of the above transfer.

(5) The Transferee is in a position to fully perform all obligations that may exist under the subcontracts.

(6) It is consistent with the Company's and the Government's interest to recognize the Transferee as the successor party to the subcontracts.

(7) Evidence of the above transfer has been filed with the Company.

[When a change of name is also involved; e.g., a prior or concurrent change of the Transferee's name, an appropriate statement shall be inserted (see example in paragraph

(8) below)].

(8) A certificate dated _____, 19____, signed by the Secretary of State of _____ [insert state] to the effect that the corporate name of **EFG CORPORATION** was changed to **XYZ CORPORATION** on _____, 19____, has been filed with the Company.

(b) IN CONSIDERATION OF THESE FACTS, THE PARTIES AGREE THAT BY THIS AGREEMENT:

(1) The Transferor confirms the transfer to the Transferee, and waives any claims and rights against the Company and the Government that it now has or may have in the future in connection with the subcontracts.

(2) The Transferee agrees to be bound by and to perform each subcontract in accordance with the conditions contained in the subcontracts. The Transferee also assumes all obligations and liabilities of, and all claims against, the Transferor under the subcontracts as if the Transferee were the original party to the subcontracts.

(3) The Transferee ratifies all previous actions taken by the Transferor with respect to the subcontracts, with the same force and effect as if the action had been taken by the Transferee.

(4) The Company recognizes the Transferee as the Transferor's successor in interest in and to the subcontracts. The Transferee by this Agreement becomes entitled to all rights, titles, and interests of the Transferor in and to the subcontracts as if the Transferee were the original party to the subcontracts. Following the effective date of this Agreement, the term "subcontractor," as used in the subcontracts, shall refer to the Transferee.

(5) Except as expressly provided in this Agreement, nothing in it shall be construed as a waiver of any rights of the Company and the Government against the Transferor.

(6) All payments and reimbursements previously made by the Company to the Transferor, and all other previous actions taken by the Company under the subcontracts, shall be considered to have discharged those parts of the Company's obligations under the subcontracts. All payments and reimbursements made by the Company after the date of this Agreement in the name of or to the Transferor shall have the same force and effect as if made to the Transferee, and shall constitute a complete discharge of the Company's and the Government's obligations under the subcontracts, to the extent of the amounts paid or reimbursed.

(7) The Transferor and the Transferee agree that the Company and the Government are not obligated to pay or reimburse either of them for, or otherwise give effect to, any costs, taxes, or other expenses, or any related increases, directly or indirectly arising out of or resulting from the transfer or this Agreement, other than those that the Company and the Government in the absence of this transfer or Agreement would have been obligated to pay or reimburse under the terms of the subcontracts.

(8) The Transferor guarantees payment of all liabilities and the performance

of all obligations that the Transferee (i) assumes under this Agreement or (ii) may undertake in the future should these subcontracts be modified under their terms and conditions. The Transferor waives notice of, and consents to, any such future modifications.

(9) The subcontracts shall remain in full force and effect except as modified by this Agreement. Each party has executed this Agreement as of the day and year first above written.

UT-Battelle

By: _____

Title: _____

ABC CORPORATION

By: _____

Title: _____

[CORPORATE SEAL]

XYZ CORPORATION

By: _____

Title: _____

[CORPORATE SEAL]

CERTIFICATE

I, _____, certify that I am the Secretary of ABC CORPORATION;
that _____, who signed this Agreement for this corporation, was then

_____ of this corporation; and that this Agreement was duly signed for and on behalf of this corporation by authority of its governing body and within the scope of its corporate powers. Witness my hand and the seal of this corporation this ____ day of _____, 19____.

By: _____
[CORPORATE SEAL]

CERTIFICATE

I, _____, certify that I am the Secretary of XYZ CORPORATION; that _____, who signed this Agreement for this corporation, was then _____ of this corporation; and that this Agreement was duly signed for and on behalf of this corporation by authority of its governing body and within the scope of its corporate powers. Witness my hand and the seal of this corporation this ____ day of _____, 19____.

By _____
[CORPORATE SEAL]