

PART III
LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

SECTION J - LIST OF ATTACHMENTS

APPENDIX F
SPECIAL FINANCIAL INSTITUTION ACCOUNT AGREEMENT

(The Special Financial Institution Account Agreement required by the clause in Section I entitled, "Payments and Advances," will be added after contract award.)



Department of Energy

Oak Ridge Operations Office
P.O. Box 2001
Oak Ridge, Tennessee 37831—

March 13, 2000

SunTrust Bank, East Tennessee, N.A.
ATTN: Patti M. Fogarty
Group Vice President
700 East Hill Avenue
Knoxville, Tennessee 37915-5010

Dear Ms. Fogarty:

SPECIAL ACCOUNT AGREEMENT FOR USE WITH THE CHECKS-PAID METHOD OF LETTER-OF-CREDIT FINANCING

Administration of the Special Account Agreement for Use With the Checks-Paid Method of Letter-of-Credit Financing between Lockheed Martin Energy Research (LMER) and SunTrust Bank is being transferred from LMER to UT-Battelle LLC as allowed per Section (12) of the agreement. This change will take effect April 1, 2000.

If you have any question, please contact Rosa Trivette, (865) 576-0782.

Sincerely,

A handwritten signature in cursive script that reads "Susan G. Hiser".

Susan G. Hiser
Contracting Officer

LOCKHEED MARTIN ENERGY RESEARCH CORP., AND
SUNTRUST BANK, EAST TENNESSEE, N.A.

SPECIAL ACCOUNT AGREEMENT FOR USE WITH THE
CHECKS-PAID METHOD OF LETTER-OF-CREDIT FINANCING

Agreement entered into this, 25 day of March, 1999, between the UNITED STATES OF AMERICA, represented by the Department of Energy (hereinafter referred to as "DOE"), and Lockheed Martin Energy Research Corporation, a corporation/legal entity existing under the laws of the State of Delaware (hereinafter referred to as the Contractor) and SunTrust Bank, East Tennessee N.A., located at 500 East Hill Avenue, Knoxville, Tennessee 37915, a national banking association chartered pursuant to laws of the United States (hereinafter referred to as the Institution).

Recitals

(a) On the effective date of January 1, 1996, DOE and the Contractor entered into Agreement(s) No. DE-AC05-96OR22464, or Supplemental Agreement(s) thereto, providing for an advance of funds by a letter of credit. Copy of such advance provisions has been furnished to the Institution.

(b) DOE requires that amounts advanced to the Contractor thereunder be deposited in a special demand deposit account at a financial institution covered by Department of the Treasury-approved Government deposit insurance organizations that are identified in I TFM 6-9000 (see Fig. IX-10).

These special demand deposits must be kept separate from the Contractor's general or other funds and the parties are agreeable to deposit said amounts with the Institution.

(c) The special demand deposit account shall be designated Lockheed Martin Energy Research Corp., Government Fund Account #1 (General Account). All ancillary accounts will be titled the same but having a different number and title to designate its specific use as in: GFA#2 (Payroll).

Covenants

In consideration of the foregoing, and for other good and valuable considerations, it is agreed that:

(1) The Government shall have a title to the credit balance in said account to secure the repayment of all advance payments made to the Contractor, and said title shall be superior to any lien, title or claim of the Institution with respect to such accounts.

(2) The Institution shall be bound by the provisions of said Agreement(s) between DOE and the Contractor relating to the deposit and withdrawal of funds in the above special demand deposit account, which are hereby incorporated into this Agreement by reference, but the Institution shall not be responsible for the application of funds withdrawn from said account. After receipt by the Institution of directions from the contractor, on behalf of DOE, the Institution shall act thereon and shall be under no liability to any party hereto for any action taken in accordance with the said written directions. Any written directions received by the Institution from the contractor acting on behalf of DOE and purporting to be signed by, or signed at the written direction of, the contractor may, insofar as the rights, duties, and liabilities of the Institution are concerned, be considered as having been properly issued and filed with the Institution by the contractor.

LOCKHEED MARTIN ENERGY RESEARCH CORP., AND
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(3) DOE, or its authorized representatives, shall have access to the books and records maintained by the Institution with respect to such special demand deposit accounts at all reasonable times and for all reasonable purposes, including, but without limitation to, the inspection or copying of such books and records and any or all memoranda, checks, correspondence, or documents pertaining thereto. Such books and records shall be preserved by the Institution for a period of 6 years after the final payment under the Agreement.

(4) In the event of the service of any writ of attachment, levy of execution, or commencement of garnishment proceedings with respect to the special demand deposit account, the Institution shall promptly notify DOE at:

Oak Ridge Operation Office
P.O. Box 2001
Oak Ridge
Tennessee, 37831-8772
Fax No. (615) 574-5374

(5) DOE shall issue a letter of credit that is irrevocable to the extent that obligations have been incurred in good faith thereunder by the Contractor to the Institution for the benefit of the special demand deposit account. The Institution agrees to honor upon presentation for payment all checks issued by the Contractor and to restrict all Letter of Credit withdrawals to an amount sufficient to maintain the account balance as close to zero as administratively possible each day.

If documentation furnished by the Institution demonstrates that this withdrawal procedure would be inequitable to DOE or to the Institution, Covenant 5 may be modified upon agreement of all parties concerned. The Institution shall comply with the provisions contained in I TFM 6-2000, which states that payment vouchers (TFS form 5805) ordinarily should not be drawn more frequently than daily or for amounts less than \$5,000, and in no case should they be drawn for more than \$50,000,000 unless so stated in the Letter of Credit. In the event that the balance remaining in the letter of credit limitation is not sufficient to cover the checks presented, the Department of the Treasury will, at the specific authorization of DOE, instruct the Federal Reserve Bank to immediately wire a transfer of funds from the Department of the Treasury account to the Institution's account, for the benefit of the Contractor's Special Demand Deposit Account, in an amount sufficient to cover the check presented in excess of the available Letter of Credit balance. The Institution agrees to service the account in this manner based on the requirements and specifications contained in the Lockheed Martin Energy Systems solicitation dated December 30, 1998. The Institution will invoice the Contractor monthly for services rendered the previous month based on the "Per Item Costs," detailed in the form "Schedule of Bank Processing Charges," contained in the Institution's proposal dated January 21, 1999. The Institution agrees that per item costs detailed in Exhibit B, shall remain constant during the term of this agreement unless specifically noted in Exhibit B.

(6) The Institution shall post collateral, acceptable under Department of the Treasury Circular 176, with the Federal Reserve Bank in an amount equal of the Federal funds deposited in all of the accounts included in this Agreement, less the Department of the Treasury-approved deposit insurance.

(7) This Agreement, with all its provisions and covenants, shall be in effect for a term of five (5) years, beginning on the 1st day of April 1999, and ending on the 31st day of March, 2004.

(8) DOE, the Contractor, or the Institution may terminate this Agreement at any time within the agreement period upon submitting written notification to the other parties 90 days prior to the desired termination date. The specific provisions for operating the account during this 90-day period are contained in Covenant 11.

LOCKHEED MARTIN ENERGY RESEARCH CORP., AND
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(9) DOE or the Contractor may terminate this Agreement at any time upon 30 days' notice to the Institution if DOE or the Contractor, or both parties, find that the Institution has failed to substantially perform its obligations under this Agreement or that the Institution is performing its obligations in a manner that precludes administering the program in an effective and efficient manner.

(10) Notwithstanding the provisions of Covenants 8 and 9, in the event that the Agreement, referenced in Recital a, between DOE and the Contractor is not renewed or is terminated, this Agreement between DOE, the Contractor, and the Institution shall be terminated automatically upon the delivery of written notice to the Institution.

(11) In the event of termination, the Institution agrees to retain the Contractor's special demand deposit account for an additional 90-day period to allow for clearance of outstanding checks. During this 90-day period, DOE shall place on deposit in that account sufficient funds to cover all outstanding checks presented for payment.

During the entire 90-day period, it is further understood that:

(a) The Institution shall maintain collateral in an amount sufficient to collateralize the highest balance in the account, less Federal Deposit Insurance Corporation coverage on the accounts, and that no cost of such collateralization shall accrue to the contractor or the DOE.

(b) All service charges shall be consistent with the amounts reflected in this Agreement (Exhibit B).

(c) No charge will be made for any FDIC or other depository insurance assessed.

(d) All terms and conditions of the aforesaid bid submitted by the Institution that are not inconsistent with this 90-day additional term shall remain in effect.

(e) This Agreement shall continue in effect, with exception of the following:

1. Letter of Credit (Covenant 5)
2. The term of this Agreement (Covenant 7)
3. Termination of Agreement (Covenant 8 and 9)

(12) 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 the Institution, Company shall have no further responsibilities hereunder.

The Institution has submitted the forms entitled "Technical Representations and Certifications," "Schedule of Bank Processing Charges using the monthly Explicit Fee method of compensation" (Exhibit B). These forms have been accepted by the Contractor and the Government and are incorporated herein with the document entitled "Financial Institution's Information on the Checks-Paid Letter of Credit," as an integral part of this Agreement.

LOCKHEED MARTIN ENERGY RESEARCH CORP., AND
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IN WITNESS WHEREOF the parties hereto have caused this Agreement, which consists of 5 pages, including the signature pages, to be executed as of the day and year first above written.

THE UNITED STATES OF AMERICA

BY: Susan G. Hiser
SUSAN G. HISER, CONTRACTING OFFICER

3/25/99
DATE

LOCKHEED MARTIN ENERGY RESEARCH CORPORATION

BY: Howard L. Rhude
HOWARD L. RHUDE, CHIEF FINANCIAL OFFICER

3/10/99
DATE

SUNTRUST BANK, EAST TENNESSEE, N.A.

BY: Patti M. Fogarty
PATTI M. FOGARTY, GROUP VICE PRESIDENT

3/10/99
DATE

LOCKHEED MARTIN ENERGY RESEARCH CORP., AND
SUNTRUST BANK, EAST TENNESSEE, N.A.
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NOTE-The contractor if a corporation, shall cause the following Certificate to be executed under its corporate seal, provided that the same officer shall not execute both the Agreement and the Certificate.

CERTIFICATE


I, Edgar R. Bowers, certify that I am the Secretary of the Corporation named as Contractor herein; that Howard L. Rhude, who signed this Agreement on behalf of the Contractor, was then Chief Financial Officer of said corporation; and that said Agreement was duly signed for in behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

 (Corporate Seal)
SIGNATURE

NOTE-Financial Institution, if a corporation, should cause the following Certification to be executed under its corporate seal, provided that the same officer shall not execute both the Agreement and Certificate.

CERTIFICATE

I, Roger D. Osborne, certify that I am the Senior Vice President of the corporation named as Institution herein; that Patti M. Fogarty, who signed this Agreement on behalf of the Institution, was then Group Vice President of said corporation; and that said Agreement was duly signed for and in behalf of said corporation by authority of its governing body and its within the scope of its corporate powers.

 (Corporate Seal)
SIGNATURE

SUNTRUST BANK, EAST TENNESSEE, N.A.
 LOCKHEED MARTIN
 JANUARY 21, 1999

TMA CODE	SERVICE PROVIDED	MONTHLY VOLUME	PROPOSED PRICE/ITEM	MONTHLY PRICE
000202	NEGATIVE LEDGER FEE - OCCURRENCE	1	\$0.00	\$0.00
010000	ACCOUNT MAINTENANCE	1	\$13.00	\$13.00
010020	ZERO BALANCE ACCOUNTS MASTER	2	\$0.00	\$0.00
010021	ZERO BALANCE ACCOUNTS SUB *	4	\$15.00	\$60.00
100000	BRANCH DEPOSIT	12	\$0.00	\$0.00
100044	BRANCH FURNISHED COIN ROLL	600	\$0.08	\$48.00
10004A	BRANCH FURNISHED CURRENCY STD	50	\$0.30	\$15.00
100224	OTHER FED ITEMS	5	\$0.00	\$0.00
100400	RETURN ITEMS	5	\$0.00	\$0.00
100600	DEPOSIT RECON MAINTENANCE	2	\$0.00	\$0.00
100610	DEPOSIT RECON PROCESSING	800	\$0.00	\$0.00
150030	MAINTENANCE - POSITIVE PAY	9	\$60.00	\$540.00
150120	POSITIVE PAY CHECKS PAID	12,000	\$0.05	\$600.00
150410	STOP PAYMENTS - AUTOMATED	75	\$2.00	\$150.00
151100	FINE SORT	12,000	\$0.00	\$0.00
151350	CHECK IMAGING - MAINTENANCE	12,000	\$0.00	\$0.00
151351	CHECK IMAGING CAPTURE	12,000	\$0.005	\$60.00
200020	PARTIAL RECON MAINTENANCE	9	\$0.00	\$0.00
200120	CK PD PARTIAL RECON	12,000	\$0.03	\$360.00
250000	GENERAL ACH MAINTENANCE	4	\$0.00	\$0.00
250101	ACH ORIGINATED - CREDIT	36,000	\$0.04	\$1,440.00
250301	ACH RETURN ITEM - CREDIT	50	\$2.00	\$100.00
250501	ACH INPUT AUTOMATE - TRANSMISSIONS	10	\$0.00	\$0.00
250629	ACH FILE DELETIONS		\$10.00	
250649	ACH FILE REVERSALS		\$5.00	
250660	ACH EXCEPTION PROCESSING	10	\$0.00	\$0.00
251050	SPECIAL ACH SERVICE - DEBIT AUTH EPA	200	\$0.00	\$0.00
300000	EDI MAINTENANCE - ORIGATION	1	\$0.00	\$0.00
300020	EDI MAINTENANCE - CUSTOM	1	\$0.00	\$0.00
300112	ACH PAYMENTS - CTX **	2,000	\$0.25	\$500.00
300112	ACH PAYMENTS - PPD **	1,100	\$0.25	\$275.00
300121	ACH PAYMENT NOTIFICATION - VIA FAX	7,000	\$0.50	\$3,500.00
300122	ACH PAYMENT NOTIFICATION - VIA VAN	14,000	\$0.25	\$3,500.00
300123	ACH PAYMENT NOTIFICATION - VIA ACH	3,000	\$0.00	\$0.00
350100	OUTGOING WIRE - AUTOM REPETITIVE	80	\$5.00	\$400.00
350103	OUTGOING WIRE - AUTOM FREEFORM	40	\$5.00	\$200.00
350200	OUTGOING WIRE - MANUAL REPETITIVE	2	\$5.00	\$10.00
350202	OUTGOING WIRE - MANUAL FREEFORM	2	\$5.00	\$10.00
350300	INCOMING WIRE TRANSFER	21	\$5.00	\$105.00
359998	INTERNATIONAL INCOMING WIRE	2	\$10.00	\$20.00
359999	INTERNATIONAL OUTGOING WIRE	20	\$10.00	\$200.00
400199	DATA TRANSMISSION PER FILE (+PAY, ACH, ETC.)	52	\$5.00	\$260.00
600210	INTERNATIONAL BANK DRAFTS		\$5.00	\$0.00
400002	PREVIOUS DAY REPORT	1	\$0.00	\$0.00
400210	LOGONS	1	\$0.00	\$0.00
	ARMORED CAR SERVICE ***	1	\$588.00	\$588.00
	ONE TIME SET-UP FEES			\$0.00
	TOTAL MONTHLY PRICE			\$12,954.00

~~SHADED ITEMS REPRESENT THOSE THAT SUNTRUST PROPOSES TO CHARGE TO LOCKHEED MARTIN, HOWEVER THEY ARE NOT INCLUDED IN THE EXHIBIT.~~

*PLEASE NOTE THAT SUNTRUST ONLY CHARGES LOCKHEED MARTIN FOR 4 ZERO BALANCE SUB ACCOUNTS INSTEAD OF THE 11 AS STATED IN THE EXHIBIT.

**ASSUMES THAT LOCKHEED MARTIN WOULD TRANSMIT AN 820 EDI FILE FORMAT.

***ARMORED CAR SERVICE IS A PASS-THRU COST FROM THE VENDOR. ADJUSTMENTS ARE MADE AS NOTIFIED BY THE VENDOR.