

**PACIFIC SCIENTIFIC ENERGETIC MATERIALS CO.
PURCHASE ORDER
GENERAL TERMS & CONDITIONS**

1. ACCEPTANCE. The purchase order incorporating these terms and conditions becomes a binding contract on the terms set forth herein, when it is accepted by acknowledgment or commencement of performance. Whether the purchase order is accepted by acknowledgment or commencement of performance, said purchase order can be so accepted only on the exact terms herein set forth and no terms which are in any manner whatsoever additional to or different from those herein set forth shall become a part of or in any way alter the aforementioned Purchase Order.

2. DEFINITIONS. As used throughout this contract, including provisions incorporated by reference, the following terms shall have the meaning set forth below:

(a) The term "Government" means the Government of the United States of America.

(b) The term "Buyer" unless otherwise defined shall mean Pacific Scientific Energetic Materials Company.

(c) The term "prime contract" means the Government contract to which the work hereunder relates.

(d) The term "Contracting Officer" means the person executing the Government prime contract to which the work hereunder relates and the term includes the authorized representative of the Contracting Officer acting within the limits of his authority.

(e) The word "Purchase Order" unless otherwise modified shall mean this agreement.

(f) The term "Contractor" shall mean Seller (including Seller as Bidder or Offeror) means the person, firm or corporation executing this contract with Motorola and who will furnish the work or services provided for herein.

(g) Except as otherwise provided in this contract, the term "subcontract" includes purchase orders placed by the Contractor under this contract and all references to "supplies" shall include "services", if this contract wholly or in part provides for the furnishing of services.

(h) All references herein to clauses appearing in Government regulations such as the Federal Acquisition Regulation, herein referred to as "FAR", or supplements thereto such as the Department of Defense FAR Supplement, herein referred to as "DFARS", shall mean, unless otherwise specified, such regulations set forth or incorporated in the prime contract and shall be considered a part of this contract to the same extent as if fully set forth herein.

3. WARRANTIES. Seller warrants the articles delivered hereunder to be free from defects in workmanship, material and manufacture and to be in compliance with any drawings or specifications incorporated or referenced herein and with any samples furnished by the Seller. All warranties survive acceptance and shall run to Buyer, its successors, assigns and customers and to the users of its products.

4. MATERIAL FURNISHED. (a) If Buyer furnishes any material or fabrication hereunder, Seller, (i) agrees not to substitute any other material in such fabrication without Buyer's written consent, (ii) agrees that title to such material shall not be affected by incorporation in or attachment to any other property

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and (iii) agrees to state and warrant on its shipper and invoice for final parts: "All material furnished by Buyer on this Purchase Order (except that which becomes normal industrial waste) has been returned in the form of parts and unused material". Proceeds of scrap salvage shall accrue to Seller and are reflected in the prices stated herein.

(b) Seller agrees that it will use any designs, tools, patterns, drawings, information and equipment, title to which is with Buyer, only in the performance of this Purchase Order and not otherwise unless Buyer's prior written consent has been obtained. The foregoing shall not be construed as limiting the right of the Seller to use designs, tools, patterns, drawings, information and equipment in the manufacture of items for direct sale to the United States Government to the extent that the Government has the right under its prime contract with Buyer or otherwise to authorize such use by Seller, and further, to the extent that such use will not interfere with Seller's performance of this or other orders from Buyer relating to Government contracts in effect at the time Seller enters into direct sale to the Government; provided further, that Seller furnishes prior written notice to Buyer of such intended use and to the extent practicable Seller prominently identifies each such item as being manufactured by the Seller for direct sale to the United States Government. Seller agrees that no inaccuracy in tools or fixtures, which Buyer furnishes, shall excuse performance not in strict accordance with specifications. Upon completion or termination of this Purchase Order, Seller shall obtain from Buyer shipping instructions or other authorized disposal instructions prior to the return of any items furnished by Buyer under this Purchase Order. Unless otherwise specified in this Purchase Order, the price includes the cost of gauges, jigs, fixtures, dies, molds, tools, patterns, and similar property that may be obtained or required by Seller for use in the manufacture, fabrication, or assembly of the articles called for herein, and unless otherwise specified, title to such property will remain with the Seller.

5. DISCOUNT DATE. The date for calculation of any cash discount offered by the Seller and provided for on the face of this purchase order is (i) the date the material is received, (ii) the date material is scheduled to be received under the purchase order, or (iii) the date an acceptable invoice is received, whichever is later. Where such date falls within the first 15 days of any month, discount will be taken when payment is made by the 25th of said month. Where such date falls on or after the 16th and before the end of any month, discount will be taken when payment is made by the 10th of the following month.

6. SHIPPING INSTRUCTIONS. Shipments must be made as specified on the fact of the purchase order unless subsequently modified in writing by Buyer. Include a packing list in all shipments. Place the Purchase Order number on all packing lists, packages, invoices and correspondence. If shipment does not exceed 20 pounds gross weight, ship parcel post uninsured. Originals of all Government bills of lading, commercial bills of lading, air bills, and rail and air express receipts shall be mailed to the traffic department of Buyer. Notify Buyer of all shipments.

7. OVER AND ADVANCE SHIPMENTS. No overshipments will be accepted except those resulting in good

faith from conditions of loading, shipping, packing or allowances in manufacturing processes and in no case exceeding (i) 5% of the quantity called for or \$25.00, whichever is the lesser, or (ii) where applicable the Forging Industry Association quantity tolerances. Do not ship ahead of schedule unless authorized by Buyer. Unauthorized advance shipments are returnable at Seller's expense.

8. DEFAULT AND EXCUSABLE DELAYS. Time is of the essence in the performance under this order. Buyer reserves the right to cancel this Purchase Order in the event of default or anticipatory breach by Seller or if shipments are not made within specified time. Such cancellation shall not be construed as a recession or waiver of any remedy unless expressly so stated upon cancellation. Seller will not, however, be liable for damages occasioned by delays in delivery due to acts of God, war, or Government negligence; provided Seller notifies Buyer in writing as soon as Seller has knowledge that any such delay may occur.

9. TERMINATION FOR CONVENIENCE. Buyer may terminate performance of work under this purchase order in whole or, from time to time, in part in accordance with FAR 52.249-2, Termination for Convenience of the Government, in effect on the date of this purchase order, which clause is incorporated by reference, except for paragraphs (c) an (i). "Contractor" shall mean Seller and "Government" and "Contracting Officer" shall mean Buyer. The period for submitting Seller's termination settlement proposal is reduced to six months and for requesting an equitable adjustment to 45 days. If this purchase order is issued under a U.S. Government prime contract or subcontract thereunder, Buyer's right to terminate under this clause shall not be affected by whether or not the prime contract or subcontract has been terminated.

10. WAIVER. The failure of Buyer to enforce at any time any of the provisions of this Purchase Order, or to exercise any option herein provided, or to require at any time performance by Seller of any of the provisions hereof, shall in no way be construed as a waiver of such provisions, nor in any way to affect the validity of this agreement or any part thereof, or the right of the Buyer thereafter to enforce each and every such provision.

11. PATENT INDEMNITY. Seller agrees to defend, at it's own expense, all claims and actions asserted against Buyer and it's customers, and to indemnify and hold harmless Buyer and it's customers against all claims, demands, loss and liability, including costs and attorney's fees, resulting from actual or alleged infringement of any U.S. Patent, trademark, or copyright, by reason of the use or disposal of the materials or articles called for hereunder, unless such infringement necessarily arises from the Seller's compliance with drawings, data or instructions of Buyer directing the performance of work hereunder in a manner not normally practiced by the Seller.

12. NEW ITEMS OF MANUFACTURE. In the event (i) there are any new features of design conceived in the performance of the work hereunder or incorporated in any material, article or machine made under this Purchase Order, (ii) a substantial portion of the development cost thereof is being charged by Seller directly or indirectly to Buyer and (iii) the

material, article, or machine with respect to which Seller already possesses patent or proprietary rights, then Seller grants to Buyer the right of reproduction of such material, article, or machine together with a royalty-free, non-exclusive, irrevocable license under any U.S. patent covering such new features of design.

13. PROPERTY LIABILITY. Seller shall (i) immediately notify Buyer of and (ii) be liable for the loss of or damage to Buyer and/or Government property while such property is in Seller's possession. Seller shall maintain in serviceable condition, preserve and account for all property furnished hereunder, and shall not use or dispose of same except in acceptance with Buyer's written instructions. Seller shall also be liable for all losses to Buyer occasioned by Seller's failure to furnish timely written notice to Buyer of loss or damage to Buyer and/or Government furnished property suffered in transit or prior to receipt by Seller. Seller agrees that Buyer and/or Government representative shall, at all reasonable times, have access to any premises upon which Buyer and/or Government property is located for the purpose of inspecting such property.

14. INSPECTION. (a) All services and supplies (which term throughout this article includes without limitation raw material, components, intermediate assemblies, end products and quality related records)

may be subject to inspection and test by Buyer and the Government, or either of them, to the extent practicable at all reasonable times and places including the period of manufacture and, in any event, prior to final acceptance.

(b) In case any supplies or lots of supplies are defective in material or workmanship or otherwise not in conformity with the requirements of this Purchase Order, Buyer shall have the right either to reject them (with or without instructions as to their deposition) or to require their correction. Supplies or lots of supplies which have been rejected or required to be corrected shall be removed or, if permitted or required by Buyer, corrected in place by and at the expense of the Seller promptly after notice, and shall not thereafter be tendered for acceptance unless the former rejection or requirement for correction is disclosed. If the Seller fails promptly to remove such supplies or lots of supplies which are required to be removed or promptly to replace or correct such supplies or lots of supplies, Buyer (i) may, by contract or otherwise, replace or correct such supplies and charge to the Seller the cost occasioned to Buyer or the Government thereby, or (ii) may terminate this Purchase Order for default as provided in the article of this Purchase Order entitled "Default." Unless the Seller corrects or replaces such supplies within the delivery schedule, Buyer may require the delivery of such supplies at a reduction in price which is equitable under the circumstances. Failure to agree to such reduction in price shall be a dispute concerning a question of fact within the meaning of the article of this Purchase Order entitled "Disputes."

(c) If any inspection or test is made by the Government or Buyer on the premises of the Seller, or a subcontractor, the Seller without additional charge shall provide all reasonable facilities and assistance for the safety and convenience of inspectors in the performance of their duties. If the Government or Buyer inspection or test is made at a point other than the premises of the Seller, or a subcontractor, it shall be at the expense of Buyer except as otherwise provided in this Purchase Order, provided that, in case of rejection, neither Buyer nor the Government shall

be liable for any reduction in value of samples used in such inspection or test. All inspections and tests shall be performed in such a manner as not to unduly delay the work. Buyer reserves the right to charge to the Seller any additional cost of inspection or test when supplies are not ready at the time such inspection or test is requested by the Seller or when reinspection or retest is necessitated by a prior rejection. Acceptance or rejection of the supplies shall be made as promptly as practicable after delivery except as otherwise provided in this Purchase Order, but failure to inspect and accept or reject supplies shall neither relieve the Seller from responsibility for such supplies as are not in accordance with the contract requirements nor impose liability to Buyer or the Government therefore.

(d) The inspection and test by Buyer or the Government of any supplies or lots thereof does not relieve the Seller from any responsibility regarding defects or other failures to meet the contract requirements which may be discovered prior to acceptance. Unless otherwise provided in this Purchase Order, acceptance shall be conclusive except as regards latent defects, fraud, such gross mistakes as amounts to fraud, and the Seller's warranty obligations.

(e) The Seller shall provide and maintain a quality and inspection system acceptable to Buyer and the Government covering the supplies hereunder. Records of all inspection work by the Seller shall be kept complete and available to the Government or Buyer during the performance of this Purchase Order and for such longer period as may be specified elsewhere in this Purchase Order.

(f) Seller hereby certifies that all supplies in the quantities as called for on the face of this Purchase Order will conform with all requirements, specifications, drawings, and related documents referenced by and/or in this Purchase Order. The required test and/or inspection reports resulting from compliance with this Purchase Order will be maintained on file and be made available for review Buyer's representative or Government inspectors, if applicable, at any reasonable time.

(g) The buyer, its customer, Government representatives, and/or representatives from regulatory agencies shall have the right of entry to any place necessary to determine and verify the quality of contracted work, records, and material.

15. ASSIGNMENT. Neither this Purchase Order nor any interest herein may be assigned or otherwise transferred in any manner, except that claims for monies due or to become due Seller under this Purchase Order may be assigned to a bank, trust company or other financing institution, including any Federal lending agency, and may thereafter be further assigned and reassigned to any such institution. Any such assignment or reassignment shall cover all amounts payable under this Purchase Order not already paid, shall not be made to more than one (1) party, and shall be subject to the right hereby reserved and exercisable by and granted to Buyer to make at any time deductions from assigned claims by way of setoff or recoupment in the same manner that such deductions could be made if such assignment did not exist. This right of setoff or recoupment shall exist whether or not the subject of the setoff or recoupment arose before or after the assignment or before or after any notice with respect thereto that Seller or its assignee may give to Buyer. It is also a condition of this limited consent that, in spite of the prohibitions herein contained, multiple assignees are involved,

Buyer shall be entitled to apportion recoupment of setoff amongst such assignees in any manner it may elect.

16. CHANGES. Buyer may at any time, in the manner described hereinafter, and without notice to sureties, make changes within the general scope of this Purchase Order in any one or more of the following (i) drawings, designs, or specifications of supplies being specifically manufactured to Buyer, (ii) method of shipment or packaging, (iii) place of delivery, and (iv) delivery schedules. If any such change causes an increase or decrease in the cost of, or the time required for, performance of this Purchase Order, an equitable adjustment shall be made in the Purchase Order price or delivery schedule or both, and the Purchase Order shall be modified in writing accordingly. Buyer employees have no authority (a) to direct any change affecting (i) above which increases the Purchase Order price, except by a change advice issued by a duly authorized purchasing representative, or (b) to direct any other change affecting (i) through (iv) above except by a change advice or other writing issued or signed by Buyer. Any claim by Seller for adjustment under this clause, and any claim by Seller for adjustment predicated upon the contention that Buyer has directed a change by means other than those stated above, must be asserted in writing to Buyer purchasing department not later than thirty (30) days after the date of receipt by Seller of the change advice or other writing referred to above or allegedly equivalent direction or within such extension of that thirty (30) day period as Buyer, in its sole discretion, may grant at Seller's request prior to the expiration of said period or any extension thereof. Nothing in this clause shall excuse Seller from proceeding with the contact as changed.

17. PACKING. All articles are to be packed in suitable containers for protection in shipment and storage, and if Government specifications are applicable, in accordance with such specifications. Any highly polished, highly finished or precision parts are to be properly preserved and packed in containers which will afford protection against atmospheric deterioration. Each container shall be marked with Buyer purchase order number. Each container, of a multiple container shipment, shall be identified (i) to show the number of the container and the total number of containers in the shipment and (ii) the number of the container in which the packing sheet has been enclosed. Material for different purchase orders shall be listed on separate packing sheets.

18. LABOR DISPUTES. Wherever Seller has knowledge that any present or potential labor dispute is delaying or threatens to delay the timely performance of this Purchase Order, Seller shall immediately give notice thereof, including all information relevant thereto, to Buyer purchasing department. Seller agrees to insert the substance of this Article 18, including this sentence, in any subcontract hereunder where a labor dispute might delay timely performance of this purchase order, except that each such subcontract shall provide that in the event its timely performance is delayed or threatened by any actual or potential labor dispute, the subcontractor shall immediately give Seller notice thereof, including all information relevant thereto.

19. TAXES. Except as otherwise provided in this Purchase Order, the Seller represents that the prices stated shall include any and all applicable federal, state and local taxes which cannot

be excluded by action of the Seller or operation of law. The Seller represents that the prices stated exclude all such taxes which can be excluded by action of the Seller or by action of law. Any tax not so excluded shall be entered on invoices as a separate line item. Buyer represents that it holds Arizona Resale License No. _____ under the Arizona Excise Revenue Act.

20. RESPONSIBILITY FOR SUPPLIES. (a) Unless this Purchase Order specifically provides for earlier passage of title, title to supplies covered by this Purchase Order shall pass to Buyer upon formal acceptance by Buyer, or the Government, regardless of when Buyer, or the Government, takes physical possession.

(b) Except as otherwise provided in this Purchase Order, (i) all risk of loss of or damage to the supplies covered by this Purchase Order shall remain with the Seller until they are delivered to the designated delivery point regardless of any points of inspection; (ii) after delivery to the designated delivery point and prior to acceptance or rejection and the giving of notice thereof by Buyer, Buyer shall be responsible for the loss or destruction of or damage to the supplies only if such loss, destruction or damage results from the negligence of officers, agents or employees of Buyer acting within the scope of their employment; and (iii) the Seller shall bear all risks as to rejected supplies after notice of rejection, except that Buyer shall be responsible for the loss or damage to the supplies only if such loss or damage results from the gross negligence of officers, agents, or employees of Buyer acting within the scope of their employment.

21. RELEASE OF NEWS INFORMATION. If this purchase order is issued under a Government prime contract or subcontract thereunder, no news release, public announcement, denial or confirmation of same or any part of the subject matter of this Purchase Order or any phase of any program hereunder shall be made without written approval of Buyer.

22. CONFIDENTIAL INFORMATION. All information, including but not limited to writings, drawings, tools, models, and oral disclosures, not in the public domain, received by Seller from Buyer or learned of, or produced by Seller in connection with the performance of work under this order is the sole property of Buyer and will be held by Seller in confidence at all times hereafter, and will not be used by Seller or disclosed by Seller to any person, firm, or corporation without prior written consent of Buyer. The foregoing shall not be construed as limiting the right of the Seller to use such writings, drawings, tools, models, and disclosures in the manufacture of end items for direct sale to the United States Government to the extent that the Government has the right under its prime contract with Buyer, or otherwise, to authorize such use by Seller, and further, to the extent that such use will not interfere with Seller's performance of this or others from Buyer relating to Government contracts in effect at the time Seller enters into direct sale to the Government, provided further, that Seller furnishes prior written notice to Buyer of such intended use and to the extent practicable Seller prominently identifies each such end item as being manufactured by the Seller for direct sale to the United States Government. If this purchase order is issued under a Government prime contract or subcontract, this Article 22 shall be deemed deleted to the extent inconsistent with the clauses incorporated by reference under Article 28, below.

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23. Intellectual Property Rights: All drawings, software, masks, test protocols, artwork, and other documents and files generated as a result of this Purchase Order, regardless of format or media, are the property of PSEMC. Artwork shall be retained at the vendor for a minimum of seven years, and be returned to PSEMC proprietary, even if not so marked, if generated in response to PSEMC documents marked as proprietary, and subject to non-disclosure.

24. COST OR PRICING DATA. (a) Seller shall submit cost or pricing data prior to the execution of this Purchase Order and the pricing of any Purchase Order change or other modification which involves aggregate increases or decreases, or both, in costs plus applicable profits expected to exceed \$500,000, except where the price adjustment is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation.

(b) Seller shall certify, in the same form as that used in the certificate by Buyer to the Government, that, to the best of its knowledge and belief, the cost or pricing data submitted under (a) above is accurate, complete and current as of the date prescribed by the Truth in Negotiations Act, 10 U.S.C. 2306a ("TINA" and FAR Subpart 15.4).

(c)(i) Seller agrees to indemnify and hold harmless Buyer for damages, as defined herein, resulting from any failure or alleged failure of Seller, or Seller's lower tier subcontractors, to supply current, accurate and complete cost or pricing data to Buyer as prescribed by the Truth in Negotiations Act, 10 U.S.C. Section 2306a ("TINA"), and FAR Subpart 15.4. As used herein, "damages" shall mean the dollar amount by which the total price of the prime contract is reduced, or the amount of Buyer's cost that is disallowed, plus interest and penalties prescribed in 10 U.S.C. Section 2306a(e), and incidental costs and expenses, including attorney's fees.

(c)(ii) The price of this Purchase Order shall be equitably reduced by the amount of damages as defined herein, at such time as the Contracting Officer of the prime contract reduces the price of the prime contract disallows Buyer's costs, or demands payment from the prime contractor for damages in a final decision, whichever occurs first, based on findings that Seller or any lower tier subcontractor failed to supply current, accurate and complete cost or pricing data as provided in subparagraph (c)(i) of this provision. In the event Seller has been paid the entire Purchase Order price, then, upon written notice by Buyer, Seller immediately shall remit to Buyer the amount of damages.

(d) The Seller shall require subcontractors hereunder to submit and certify cost or pricing data in accordance with and under the circumstances described in the clauses entitled "Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data" or "Requirements for Cost or Pricing Data or Other Information Other Than Cost or Pricing Data - Modifications" which is presently set forth in FAR clauses 52.215-20 or 52.215-21" and paragraph (a) above, as applicable.

25. INDEMNITY. (a) Seller shall indemnify and hold harmless Buyer against and from any liability, claims, obligations, losses, cost and expenses, including attorney's fees (hereafter collectively referred to in this provision as "damages") resulting from any failure or alleged failure of Seller, or Seller's

lower tier subcontractors to comply with any federal or state law, statute, regulation, ruling, order or directive, including, but not limited to: the Cost Accounting Standards, 48 CFR Chapter 99, Public Law 100-679 (41 U.S.C. w 422) and FAR Part 30; the Procurement Integrity Act (41 U.S.C. §423 as amended and FAR 3.104; FAR 52.203-10; FAR 22.302; and DFARS 223.70.)

26. ORDER OF PRECEDENCE. The rights and obligations of the parties to this contract shall be subject to and governed by the Statement of Work, these General Terms and Conditions, Additional Terms and Conditions, and any proposals, specifications or other documents or provisions which are made a part of this contract by reference or otherwise. To the extent of any inconsistency between (i) the Statement of Work and the Terms and Conditions and (ii) proposals, specifications or other documents or provisions which are made a part of this contract by reference or otherwise, the Statement of Work and these Terms and Conditions shall control. To the extent of any inconsistency between (i) the Statement of Work and (ii) the Terms and Conditions, the Statement of Work shall control.

27. NOTICES. All notices required or permitted to be sent by either party hereto shall be deemed sufficiently given if sent by prepaid certified mail to the address shown on the first page of this Purchase Order for each party and to the attention of the individual who executes this contract on behalf of the party to whom the notice is sent. All notices shall be deemed given when they are sent by certified mail and deposited in the mail addressed in the aforesaid manner. Either party may designate, in writing, a different manner of address for notices under this Purchase Order.

28. DISPUTES. (a) Except as otherwise specifically provided in this Purchase Order, all disputes concerning questions of fact under this contract which are not promptly disposed of by mutual agreement may be decided by recourse to any available legal or equitable remedy.
 (b) If this is a subcontract under a Government prime contract, the applicable law is the federal statutory, regulatory and common law of government contracts. Where federal law is silent, or inapplicable, the applicable law is the law of Arizona, without recourse to its choice of law rules.
 (c) Pending decision of any disputes hereunder, the Seller shall diligently proceed with performance of this Purchase Order as directed by Buyer.

29. COMPLIANCE WITH STATUTES AND REGULATIONS. (a) Seller warrants and certifies that in the performance of this Purchase Order, it will comply with all applicable statutes, rules, regulations, and orders of the United States, and of any state or political subdivision thereof, including laws and regulations pertaining to labor, wages, hours and other conditions of employment, applicable price ceilings, if any, and that the articles delivered hereunder shall be produced in compliance with the Fair Labor Standards Act.
 (b) The following FAR and DFARS or NASA provisions are incorporated herein by references. Except as specifically provided below, the following terms as used in FAR and DFARS or NASA clauses incorporated herein shall be defined as set forth below. It is recognized that certain of these clauses, apply only to certain types of contracts, the applicability thereof being

conditioned on such factors as price and the nature of the work to be performed. The extent and scope of applicability to this contract shall be in accordance with the terms, requirements, guidelines, and limitations stated in each clause.

30. FOREIGN TRANSACTIONS

The holder of this document shall comply with all laws and regulations of the United States related to exports, imports, and foreign transactions, including, but not limited to, the International Traffic in Arms Regulations (EARS) (15 C.F.R. Regulations) (ITAR) (22 C.F.R. §§ 730-774). The document holder shall obtain all required authorizations from the U.S. Federal Government before transferring or otherwise disclosing technical data or technology (as those terms are defined in 22 C.F.R. § 120.10 and 15 C.F.R. § 722, respectively), to any Foreign Person (as defined in 22 C.F.R. § 120.16). The document holder also shall provide written notification to Pacific Scientific/EMC assigning or granting access to a Foreign Person to any information or technical data related to this document.

FAR	Clause
52.203-6	Restrictions on Subcontractor Sales to the Government. (Applicable if this order exceeds \$100,000)
52.203-7	Anti-kickback Procedures. This clause applies if this order exceeds \$100,000, except that paragraph (c)(1) of FAR 52.203-7 is not included in this Order. Paragraph (c)(4) is revised by deleting “The Contracting Officer may” and inserting “To the extent the Contracting Officer has effected an offset at the prime contract level or has directed Buyer to withhold any sum from the Seller, Buyer may
52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions. (Applicable if this contract exceeds \$100,000.) (“Offeror” shall mean Seller.)
52.203-12	Limitation on Payments to Influence Certain Federal Transactions. (Applicable if this contract exceeds \$100,000.) (“Offeror” shall mean Seller.)
52.204-2	Security Requirements.
52.209-6	Protecting the Government’s Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment.
52.211-5	New Material. (“Contracting Officer” shall mean Buyer).
52.211-15	Defense Priority and Allocation Requirements.
52.214-26	Audit and Records – Sealed Bidding. This clause applies if the prime contract was awarded by sealed bidding. The clause is mandatory if the subcontract is expected to exceeds \$500,000. In paragraph (b) of the clause, the term “Contracting Officer” does not change since it is the Government’s right to audit the subcontractor’s books and records, not the prime contractor’s.

FAR	Clause	FAR	Clause
52.215-2	Audit and Records - Negotiation. (If the Government is unable or unwilling in a timely manner to conduct any audit of Seller's books and records, an audit may be conducted by a mutually acceptable independent certified public accounting firm. The phrase "of the prime contract" is added after "Disputes clause" in paragraph (d) (2).)	52.222-35	Affirmative Action for Special Disabled and Vietnam Era Veterans. (Applicable if this contract is for \$10,000 or more.)
52.215-10	Price Reduction for Defective Cost or Pricing Data	52.222-36	Affirmative Action for Handicapped Workers. (Applicable if this contract exceeds \$2,500.)
52.215-11	Price Reduction for Defective Cost or Pricing Data - Modifications	52.222-37	Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era. (Applicable if this contract is for \$10,000 or more.)
52.215-12	Subcontractor Cost or Pricing Data	52.223-2	Clean Air and Water. (Applicable if this contract exceeds \$100,000.)
52.215-13	Subcontractor Cost or Pricing Data—Modifications	52.223-3	Hazardous Material Identification and Material Safety Data and Alternate I if the prime contract is awarded by an agency other than the DoD. ("Government" shall mean Government or Buyer, except in paragraph (h)) (Applicable if this contract indicates that items will be shipped directly to the Government.
52.215-14	Integrity of Unit Prices.	52.223-11	Ozone Depleting Substances.
52.215-15	Pension Adjustments and Asset Reversions. ("Contracting Officer" shall mean Buyer) (Applicable if certified cost and pricing data was submitted and for which any preaward or post-award cost determinations will be subject to FAR Subpart 31.2.)	52.223-14	Toxic Chemical Release Reporting.
52.215-18	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions ("Contracting Officer" shall mean Buyer.) (Applicable if certified cost or pricing data was submitted or for which any preaward or post-award cost determinations will be subject to FAR Subpart 31.2.)	52.225-3	Buy American Act - Supplies. (This clause applies only if the Seller is supplying an item which is an end product under the Buyer's prime contract.)
52.215-19	Notification of Ownership Changes	52.225-9	Buy American Act – Trade Agreements -- Balance of Payments Program. (This clause applies only if the Seller is supplying an item which is an end product under the Buyer's prime contract.)
52.215-20	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data.	52.225-10	Duty-Free Entry ("Contracting Officer" shall mean Buyer, except the first time it appears in paragraph (b) (2) and (b) (3) and paragraph (e). Change "20 days" to "30 days" in paragraph (b) (1). Change "10 days" to "20 days" in paragraph (b) (2). Change "The Government agrees" to "The Government has agreed" in paragraph (e). The terms "the Schedule" and "the contract Schedule" in paragraphs (a), (b) and (h) mean "this contract." In the last sentence of paragraph (h) "the contract" shall mean the prime contract.)
52.215-21	Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data - Modifications.	52.225-11	Restrictions on Certain Foreign Purchases ("Contracting Officer" shall mean Buyer.)
52.216-7	Allowable Cost and Payment (Applicable to cost reimbursement orders only)	52.225-18	European Union Sanction for End Product (This clause applies only if the Seller is supplying an item which is an end product under the Buyer's prime contract.)
52.219-8	Utilization of Small, Small Disadvantaged and Women-Owned Small Business Concerns (Applicable if this Subcontract is for more than \$100,000)	52.225-21	Buy American Act -- North American Free Trade Agreement Implementation Act -- Balance of Payments Program (This clause applies only if the Seller is supplying an item which is an end product under the Buyer's prime contract.)
52.219-9	Small, Small Disadvantaged and Women-Owned Small Subcontracting Plan (Applicable if this Subcontract exceeds \$500,000) (In Paragraph (c) "Contracting Officer" shall mean Buyer.)	52.227-1	Authorization and Consent (Applicable if this contract exceeds \$25,000 except when complete performance and delivery are outside the United States of America, its possessions and Puerto Rico.)
52.222-1	Notice to the Government of Labor Disputes ("Contracting Officer" shall mean Buyer.)	52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement (Applicable if this contract exceeds \$25,000.) ("Contracting Officer" shall mean Buyer and "Government" shall mean Government or Buyer.)
52.222-4	Contract Work Hours and Safety Standards Act - Overtime Compensation. (Applicable if this contract is for \$2,500 or more) (Buyer may withhold or recover from Seller such sums as the Contracting Officer withholds or recovers from Buyer because of liabilities of Seller or its subcontractors under this clause.)	52.227-3	Patent Indemnity
52.222-20	Walsh-Healey Public Contracts Act. (Applicable if this contract exceeds \$10,000.)		
52.222-21	Prohibition of Segregated Facilities.		
52.222-22	Previous Contracts and Compliance Reports		
52.222-25	Affirmative Action Compliance		
52.222-26	Equal Opportunity. (Only subparagraphs (b) (1) through (b) (11) of FAR 52.222-26 shall be applicable. "Contracting Agency" as used in this clause shall mean the Contracting Officer.)		

FAR	Clause	FAR	Clause
52.227-9	Refund of Royalties ("Contracting Officer" shall mean Buyer in paragraphs (a) and (c) and the third time it appears in paragraph (d), and shall mean Contracting Officer and Buyer in paragraph (e). In paragraph (e) "this contract" shall mean the prime contract.)	52.243-7	Notification of Changes ("Contracting Officer" and "Administrative Contracting Officer" shall mean Buyer, and "Government" shall mean Buyer. Insert "10 calendar days" in the spaces provided in paragraphs (b) and (d).)
52.227-10	Filing of Patent Applications - Classified Subject Matter	52.244-6	Subcontracts for Commercial Items and Commercial Components
52.227-11	Patent Rights - Retention by the Contractor (Short Form) (Applicable to Small Businesses)	52.245-2	Government Property (Fixed-price Contracts)
52.227-12	Patent Rights - Retention by the Contractor (Long Form)	52.245-5	Government Property (Cost Reimbursement, Time-and-Materials, or Labor-Hour Contracts)
52.227-14	Rights in Data - General	52.245-17	Special Tooling
52.227-16	Additional Data Requirements	52.245-18	Special Test Equipment
52.227-19	Commercial Computer Software-Restricted Rights	52.246-23	Limitation of Liability ("Acceptance of supplies delivered under this contract" shall mean acceptance by the Government under the prime contract of the supplies delivered hereunder or as incorporated in supplies delivered to the Government by Buyer.)
52.228-5	Insurance-Work on a Government Installation	52.246-25	Limitation of Liability - Services (Applicable if this contract exceeds \$25,000)
52.230-2	Cost Accounting Standards	52.247-63	Preference for U.S. Flag Air Carriers (Applicable if this contract may involve international air transportation.)
52.230-3	Disclosure and Consistency of Cost Accounting Practices	52.247-64	Preference for Privately Owned U.S. Flag Commercial Vessels (Applicable only to contracts receiving progress payments.) (In paragraph (c) (2) "20" and "30" are changed to "10" and "20" respectively.)
52.232-16	Progress Payments (JUL 1991); Alternate I applies to Small Businesses; Alternate II applies to Letter Contracts; (Applicable only if this contract meets the threshold contained in FAR 32.5 and inclusion of progress payments is approved in writing by Buyer. If approved, the applicable rate shall be as provided in the clause unless otherwise specified in this contract; "Contracting Officer" and "Administrative Contracting Officer" or "Procuring Contracting Officer" shall mean Buyer; "Government" shall mean Buyer except in paragraphs (d) and (g); in paragraph (d)(1) "Government" shall mean Government and Buyer; in paragraph (d)(2)(iv) "Government" shall mean Government or Buyer.)	52.248-1	Value Engineering ("Contracting Officer" shall mean Buyer; in paragraph (g) (4) "Government" shall mean Buyer.) (Applicable if this contract equals or exceeds \$100,000.)
52.232-17	Interest ("Government" shall mean Buyer.) (The parenthetical phrase "(net of any applicable tax credit under the Internal Revenue Code (26 U.S.C. 1481)" is deleted from the first sentence) (Paragraph (c) is deleted.)	52.249-8	Default (Fixed-Price Supply and Service)
52.233-3	Protest After Award Alternate 1 (AUG 1996) the first sentence is revised to read "In the event Buyer's Customer has directed Buyer to stop performance of the work, pursuant to FAR Subpart 33.1, under the prime contract or higher-tier subcontract under which this contract is issued, Buyer may by written order to Seller direct Seller to stop performance of the work hereunder." Additionally, in paragraph (b)(2), "30 days" shall mean 20 days; in paragraphs (b), (c) and (e), "Government" shall mean Buyer; "Contracting Officer" shall mean Buyer.)	DFARS	Clauses
52.236-13	Accident Prevention ("the Contracting Officer" shall mean Buyer and "Government" shall mean Government and Buyer.)	252.203-7001	Special Prohibition on Employment (Applicable to first-tier contracts over \$25,000.) (In paragraph (e), "Government" shall mean Government and Buyer.)
52.242-13	Bankruptcy ("Contracting Officer" shall mean Buyer.)	252.204-7000	Disclosure of Information ("The Contracting Officer" shall mean Buyer.) (In paragraph (b), change "45" days to "60."
52.242-15	Stop-Work Order ("Contracting Officer" shall mean Buyer.)	252.208-7000	Intent to Furnish Precious Metals as Government Furnished Material (In paragraph (a) "Government intends" is changed to "Government or Buyer intend.") (In paragraph (c) "Government" shall mean "Government or Buyer.")
52.242-17	Delay of Work ("Contracting Officer" shall mean Buyer.)	252.209-7000	Acquisition from Subcontractors Subject to On-Site Inspection Under the Intermediate-Range Nuclear Forces (INF) Treaty (Applicable if this contract is over \$25,000.)
		252.209-7002	Disclosure of Ownership or Control by a Foreign Government
		252.211-7000	Acquisition Streamlining (Applicable if this Subcontract is valued at more than \$1,000,000.)
		252.215-7000	Pricing Adjustments

DFARS	Clauses
252.219-7003	Small, Small Disadvantaged and Women-Owned Small Business Subcontractors Plan (DOD Contracts)
252.223-7001	Hazard Warning Labels
252.223-7002	Safety Precautions for Ammunition and Explosives ("Contracting Officer" shall mean Government or Buyer in paragraphs (b), (c), (e), (f) and (g), except in the first and third sentences of (g)(ii).) (Seller understands and agrees to the Government's and Buyer's right of access to the Seller's facilities, personnel, and safety program documentation to review and evaluate safety programs, implementation, and facilities, including Seller's compliance with applicable law under this clause. Seller shall accept direction to cease performance of this contract if a serious, uncorrected or recurring safety deficiency potentially causes an imminent hazard to Government or Buyer personnel, property or contract performance.)
252.223-7004	Drug-Free Work Force
252.223-7005	Hazardous Waste Liability ("Government" shall mean Government and Buyer.)
252.223-7006	Prohibition On Storage And Disposal Of Toxic And Hazardous Materials
252.223-7007	Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives
252.225-7001	Buy American Act And Balance Of Payments Program
252.225-7002	Qualifying Country Sources as Subcontractors
252.225-7008	Supplies to be Accorded a Duty-Free (MAR 1998)
252.225-7009	Duty-Free Entry-Qualifying Country End Products and Supplies (Applicable if this contract involves supplies to be accorded duty-free entry.) (Except for the required notices delivered to the U.S. Customs Officer, Seller shall provide Buyer with copies of all notices sent to the Government under this clause. Upon request from Seller, Buyer will provide the information required under paragraphs (e) and (h).)
252.225-7010	Duty-Free Entry-Additional Provisions
252.225-7012	Preference for Certain Domestic Commodities
252.225-7014	Preference for Domestic Specialty Metals
252.225-7016	Restriction on the Acquisition of Ball or Roller Bearings
252.225-7025	Foreign Source Restrictions (Applicable unless the supplies purchased hereunder contain none of the restricted items identified at DFARS 225.7102.)

DFARS	Clauses
252.225-7026	Reporting of Contract Performance Outside the United States (Applicable to first-tier subcontracts exceeding \$500,000, unless the contract is for a commercial item as that term is defined in DFARS 211.7001. Reports required under paragraph (a)(3) of this clause shall be submitted within ten (10) days of the end of each Government quarter to Deputy Director of Defense Procurement (Foreign Contracting), OUSD(A)DP(FC), Washington, DC 20301-3060.)
252.225-7032	Waiver of United Kingdom Levies (Applicable if over \$1 million and Subcontractor is a United Kingdom firm.)
252.225-7036	North American Free Trade Agreement Implementation Act
252.225-7037	Duty-Free Entry - NAFTA Country End Products and Supplies (JAN 1994) (Applicable is this contract involves supplies to be accorded duty-free entry.) (Except for the required notices delivered to the U.S. Customs Officer, Seller shall provide Buyer with copies of all notices sent to the Government under this clause. Upon request from Seller, Buyer will provide the information required under paragraphs (e) and (f).)
252.227-7013	Rights in Technical Data- Noncommercial Items
252.227-7014	Rights in Noncommercial Computer Software and Noncommercial Software Documentation
252.227-7015	Technical Data - Commercial Items (Applicable if a commercial item)
252.227-7018	Rights in Noncommercial Technical Data and Computer Software - Small Business Innovation Research (SBIR) Program
252.227-7019	Validation of Asserted Restrictions - Computer S/W
252.227-7025	Limitations on the Use or Disclosure of Government Furnished Information Marked With Restrictive Legends
252.227-7026	Deferred Delivery of Technical Data or Computer Software ("Government" shall mean Buyer.)
252.227-7027	Deferred Ordering of Technical Data or Computer Software ("Government" shall mean Buyer, except in the last sentence.)
252.227-7028	Technical Data or Computer Software Previously Delivered to the Government ("Government" shall mean Buyer.)
252.227-7030	Technical Data-Withholding of Payment ("Contracting Officer" and "Government" shall mean Buyer.)
252.227-7036	Certification of Technical Data Conformity (In paragraph (c) "Government" shall mean Government or Buyer.)
252.227-7037	Validation of Restrictive Markings on Technical Data (In paragraph (c) "Contracting Officer" shall mean Contracting Officer or Buyer. In paragraph (i) insert "Seller or" before "subcontractor.")

DFARS	Clauses	NASA FARS	Clause
252.227-7039	Patents-Reporting of Subject Inventions		
252.228-7005	Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles	18-52.227-72	Designation of New Technology Representative and Patent Representative. This clause applies only if 18-52.227-70 or FAR 52.227-11 is incorporated in this purchase order.
252.231-7000	Supplemental Cost Principles		
252.243-7000	Engineering Change Proposals		
252.243-7001	Pricing of Contract Modifications	18-52.227-85	Invention Reporting and Rights - Foreign. This clause applies only if this purchase order includes the performance of research, experimental design, engineering, or developmental work. -
252.244-7000	Subcontracts for Commercial Items and Commercial Components (DOD Contracts)		
252.245-7001	Reports of Government Property (Reports required under this clause shall be submitted no later than September 30) (In paragraph (a)(3) "Government" shall mean Buyer.)	18-52.228-72	Cross-Waiver of Liability for Space Shuttle Services.
252.246-7001	Warranty of Data - Alternate I	18-52.228-76	Cross-Waiver of Liability for Space Station Activities.
252.247-7023	Transportation of Supplies by Sea (Applicable if this contract is for \$100,000 or more) (All requests to the Contracting Officer shall be submitted through Buyer.)	1852.228-78	Cross-Waiver of Liability for NASA Expendable Launch Vehicle Launches.
252.247-7024	Notification of Transportation of Supplies by Sea ("Contracting Officer" shall mean Buyer.)	18-52.231.71	Determination of Compensation Reasonableness. This clause applies only if this purchase order is a service contract (1) with proposed cost-reimbursement or non-competitive fixed-price type subcontracts having a total potential value in excess of \$500,000 and (2) the cumulative value of all service subcontracts under the prime contract is in excess of 10 percent of the prime contract's total potential value. -
NASA FARS	Clause		
18-52.219-74	Use of Rural Area Small Businesses. This clause applies only if this purchase order offers subcontracting possibilities.		
18-52.219-75	Small Business and Small Disadvantaged Business Subcontract Reporting. This clause applies only if FAR 52.219-9 is incorporated in this purchase order. -	18-52.237-71	Pension Portability. This clause applies only if this purchase order is a continuing services contract and (1) the prime contract requires pension portability, (2) the purchase order labor dollars (excluding any burdens or profit/fee) exceed \$2,500,00 and ten percent of the total prime contract labor dollars (excluding any burdens or profit/fee), and (3) the conditions at 18-371.170 are satisfied. -
18-52.223-70	Safety and Health. This clause applies only if this purchase order exceeds \$1,000,000; requires construction, repairs, or alteration in excess of \$25,000; or involves the use of hazardous materials or operations. -		
18-52.223-72	Potentially Hazardous Items. This clause applies only if this purchase order includes manufacturing or handling of items or components designated as potentially hazardous in paragraph (a) of the clause. -	18-52.242-73	NASA Contractor Financial Management Reporting. This clause applies only if this purchase order is a first-tier contract under the prime contract that meets the criteria of 18-42.7201 (b)(1). -
18-52.223-74	Drug- and alcohol-free workforce.	18-52.244-70	Geographic Participation in the aerospace Program. This clause applies only if this purchase order is for \$100,000 or more. -
18-52.227-11	Patent Rights--Retention by the Contractor (Short Form)	18-52.245-73	Financial Reporting of Government Owned/Contractor-Held Property.
18-52.227-14	Rights In Data—General	18-52.246-73	Human Space Flight Item.
18-52.227-19	Commercial Computer Software--Restricted Rights.		
18-52.227-70	New Technology. This clause applies only if this purchase order is for the performance of experimental, developmental or research work and Seller is not a small business firm or nonprofit organization. If this purchase order is for the performance of experimental, developmental or research work and Seller is a small business firm or nonprofit organization. FAR 5.227-11 is incorporated instead. -		
18-52.227-71	Requests for Waiver of Rights to Inventions.		