Enter P.O./ Agreement Number Below:

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ASRC Federal Holding Company and Subsidiary Companies (BUYER)

General Provisions and FAR Flowdown Provisions for Commercial Items Under a U.S. Government Prime Contract

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SECTION I: GENERAL PROVISIONS

1. Formation of Contract and Terms and Conditions

(a) This Contract is BUYER's offer to SELLER. SELLER's signature on the Contract, acknowledgment, acceptance of payment, or commencement of performance, shall constitute SELLER's unqualified acceptance of this Contract. SELLER's acceptance of this Contract creates a binding Contract between BUYER and SELLER, which shall be governed by the provisions of this Contract.

(b) This Contract integrates, merges, and supersedes any prior offers, negotiations, and agreements concerning the subject matter hereof and constitutes the entire agreement between the Parties.

(c) Additional or differing terms or conditions proposed by SELLER or included in SELLER's acknowledgment hereof are hereby objected to by BUYER and have no effect unless accepted in writing by BUYER.

2. Applicable Laws

(a) This Contract shall be governed by the laws of the state of Maryland, excluding its choice of laws rules, except that any provision in this Contract that is (i) incorporated in full text or by reference from the Federal Acquisition Regulation (FAR); or (ii) incorporated in full text or by reference from any agency regulation that implements or supplements the FAR or; (iii) that is substantially based on any such agency regulation or FAR provision, shall be construed and interpreted according to the federal common law of government contracts as enunciated and applied by federal judicial bodies, Boards of Contracts Appeals, and quasi-judicial agencies of the Federal Government.

(b) (1) SELLER agrees to comply with all applicable laws, orders, rules, regulations, and ordinances of the United States and the country where SELLER will be performing the Contract. The provisions of the *United Nations Convention on Contracts for International Sale of Goods* shall not apply to this Contract.

(2) If, as a result of any violation of applicable laws, orders, rules, regulations, or ordinances by SELLER, its officers, employees, agents, suppliers, or subcontractors at any tier, (i) BUYER's Contract price or fee is reduced; (ii) BUYER's costs are determined to be unallowable; (iii) any fines, penalties, or interest are assessed on BUYER; or (iv) BUYER incurs any other costs or damages; BUYER may proceed as provided for in (3) below.

(3) Upon the occurrence of any of the circumstances identified in (2) above, BUYER may make a reduction of corresponding amounts (in whole or in part) in the price, or in the costs and fee, of this Contract or any other contract with SELLER, or may demand payment (in whole or in part) of the corresponding amounts. SELLER shall promptly pay amounts so demanded.

(4) These rights and obligations shall survive the termination or completion of this Contract.

(c) In particular, if the Work is to be shipped to, or performed in the United States:

(1) SELLER represents that each chemical substance constituting or contained in Work sold or otherwise transferred to BUYER hereunder is on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Administration pursuant to the Toxic Substances Control Act (15 U.S.C. Sec. 2601 et seq.) as amended.

(2) SELLER shall provide to BUYER with each delivery any Material Safety Data Sheet applicable to the Work in conformance with and containing such information as required by the Occupational Safety and Health Act of 1970 and regulations promulgated thereunder, or its state-approved counterpart.

3. Assignment and Subcontracting

(a) Any assignment of SELLER's contract rights or delegation of duties shall be void, unless prior written consent is given by BUYER. However, SELLER may assign rights to be paid amounts due, or to become due, to a financing institution if BUYER is promptly furnished a signed copy of such assignment reasonably in advance of the due date for payment of any such amounts. Amounts assigned to an assignee shall be subject to setoffs or recoupment for any present or future claims of BUYER against SELLER. BUYER shall have the right to make settlements and adjustments in price with SELLER without notice to the assignee.

(b) Without BUYER's written consent, SELLER will not subcontract for the design, development, or procurement of any portion of goods or services under this Contract. This limitation does not apply to SELLER's purchases of standard commercial supplies or raw materials.

4. Changes

(a) BUYER may at any time, by written notice, and without notice to sureties or assignees, make changes within the general scope of this Contract in any one or more of the following: (i) drawings, designs, or specifications; (ii) method of shipping or packing; (iii) place of inspection, acceptance, or point of delivery; (iv) reasonable adjustments in quantities or delivery schedules or both; (v) amount of BUYER-furnished property; and, if this Contract includes services, (vi) description of services to be performed; (vii) quantity of services (i.e., hours to be worked); (viii) time of performance (e.g., hours of the day, days of the week); and (ix) place of performance. SELLER shall comply immediately with such direction.

(b) If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of this Contract, BUYER shall make an equitable adjustment in the Contract price or delivery schedule or both, and modify the Contract accordingly. Changes to the delivery schedule will be subject to a price adjustment.

(c) Any claim for an equitable adjustment by SELLER must be submitted in writing to the BUYER Procurement Representative within thirty (30) days from the date of notice of the change, unless the Parties agree in writing to a longer period.

(d) Failure to agree to any adjustment shall be resolved in accordance with the ***Disputes*** clause of this Contract. However, nothing contained in this ***Changes*** clause shall excuse SELLER from proceeding without delay in the performance of this Contract as changed.

5. Commercial Computer Software

(a) As used in this clause, "restricted computer software" means computer program, computer database, or related documentation that has been developed at private expense and is a trade secret, is commercial or financial and confidential or privileged, or is published and copyrighted, and so marked when delivered or otherwise furnished.

(b) Notwithstanding any provisions to the contrary contained in any SELLER's standard commercial license or lease agreement, SELLER agrees that the restricted computer software delivered under this Contract shall provide the following rights to BUYER and the U.S. Government.

(1) The restricted computer software may be:

(i) Used or copied for use in or with the computer or computers for which it was acquired, including use at any government installation to which such computer or computers may be transferred;

(ii) Used or copied for use in or with a backup computer if any computer for which it was acquired is inoperative;

(iii) Reproduced for safekeeping (archives) or backup;

(iv) Modified, adapted, or combined with other computer software, provided that the modified, combined, or adapted portions of the derivative software incorporating any of the delivered, restricted computer software shall be subject to the same restrictions set forth in this Purchase Order or Contract;

(v) Disclosed to and reproduced for use by support service contractors or their subcontractors, subject to the same restrictions set forth in this Purchase Order or Contract; and

(vi) Used, copied for use in, or transferred to a replacement computer.

(c) Release from liability. The SELLER agrees that the government or BUYER, and other persons to whom the government or BUYER may have released or disclosed commercial computer software delivered or otherwise furnished under this Contract, shall have no liability for any release or disclosure of such commercial computer software that are not marked to indicate that such software are licensed data subject to use, modification, reproduction, release, performance, display, or disclosure restrictions.

6. Communication with BUYER Customer

(a) BUYER shall be solely responsible for all liaison and coordination with the BUYER customer, including the U.S. Government, as it affects the applicable prime contract, this Contract, and any related contract.

(b) Unless otherwise directed in writing by the authorized BUYER Procurement Representative, all documentation requiring submittal to, or action by, the government or the Contracting Officer shall be routed to, or through, the BUYER Procurement Representative, or as otherwise permitted by this Contract.

7. Compliance With Laws

Seller agrees to comply fully with all applicable laws, ordinances, rules, regulations, and orders of all foreign nations (or governmental subdivision thereof) and all applicable domestic (United States of America) federal, state, and local laws, ordinances, rules, regulations, and orders pertaining to the production and sale of the goods or services ordered, and, upon request, Seller shall furnish Buyer certificates of compliance. These laws shall include, without limitation, the following: The Fair Labor Standards Act of 1938, as amended; Federal and State OSHA requirements; the equal opportunity clause in §202 of Executive Order #11246 as amended; Veterans Employment and Readjustment Act of 1972 (amending the Vietnam Era Veterans Readjustment Assistance Act of 1972); the rules and regulations of the Office of Federal Contract Compliance; §503 of the Rehabilitation Act, Toxic Substances Control and The Federal Hazardous Substances Act. With specific references to the Toxic Substances Control Act, Seller warrants that each chemical substance delivered under this order shall be on the list of chemical substances complied and published by the Administrator of the Environmental Protection Agency pursuant to §8 of the Toxic Substances Act. If this order is placed, directly or indirectly, under a contract to which the United States or any state or other governmental authority is a party, then all terms and conditions required by law or regulation or contained in the government contract with respect to this order are incorporated herein by reference. Seller expressly agrees to indemnify and hold harmless Buyer, its successors, assigns, customers, and users of its products from any costs, losses, expenses, damages, claims, suits, fines, penalties, or any liability whatsoever, including attorney's fees, resulting from the failure of Seller to comply, in the

furnishing of goods or services under this order, with all applicable foreign or domestic federal, state, or local laws, ordinances, rules, regulations, or orders as set out hereinabove.

This contractor and subcontractor shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.

8. Confidentiality of BUYER'S Information

Information provided by BUYER to SELLER remains the property of BUYER. SELLER agrees to comply with the terms of any confidential disclosure agreement with BUYER and to comply with all proprietary information markings and restrictive legends applied by BUYER to anything provided hereunder to SELLER. **SELLER agrees not to use any BUYER-provided information for any purpose except to perform this Contract and agrees not to disclose such information to third parties without the prior written consent of BUYER.**

9. Confidentiality of SELLER's Information

SELLER shall not provide any proprietary information to BUYER without prior execution by BUYER of a confidential disclosure agreement.

10. Contract Direction

(a) Only the BUYER Procurement Representative has authority to amend this Contract. Such amendments must be in writing.

(b) BUYER engineering and technical personnel may render assistance or give technical advice or discuss or effect an exchange of information with SELLER's personnel concerning the Work hereunder. Such actions shall not be deemed to be a change under the ***Changes*** clause of this Contract and shall not be the basis for equitable adjustment.

(c) Action or direction by any BUYER customer shall not be deemed to be a change under the ***Changes*** clause of this Contract and shall not be the basis for equitable adjustment.

(d) Except as otherwise provided herein, all notices to be furnished by the SELLER shall be sent to the BUYER Procurement Representative.

11. Default

(a) BUYER, by written notice, may terminate this Contract for default, in whole or in part, if SELLER fails to comply with any of the terms of this Contract, fails to make reasonable progress in its performance of this Contract, or fails to provide adequate assurance of future performance. SELLER shall have ten (10) days (or a longer period, which BUYER may authorize in writing) to cure any such failure after receipt of notice from BUYER. Defaults involving delivery schedule delays shall not be subject to the cure provision.

(b) BUYER shall not be liable for any Work not accepted; however, BUYER may require SELLER to deliver to BUYER any supplies and materials, manufacturing materials, and manufacturing drawings that SELLER has specifically produced or acquired for the terminated portion of this Contract. BUYER and SELLER shall agree on the amount of payment for these other deliverables.

(c) SELLER shall continue all Work not terminated.

(d) If after termination under paragraph (a), it is later determined that SELLER was not in default, such termination shall be deemed a Termination for Convenience.

12. Definitions

The following terms shall have the meanings set forth below:

(a) "Contract" means the instrument of contracting (e.g., PO, Purchase Order, or other such designation), including all referenced documents, exhibits, and attachments. If these terms and conditions are incorporated into a master agreement that provides for releases (in the form of a Purchase Order or other such document), the term "Contract" shall also mean the release document for the Work to be performed.

(b) "FAR" means the Federal Acquisition Regulation, issued as Chapter 1 of Title 48, Code of Federal Regulations.

(c) "BUYER" means ASRC Federal Holding Company or one of its subsidiary companies as identified in the Contract.

(d) "BUYER Procurement Representative" means the person authorized by BUYER's cognizant procurement organization to administer this Contract.

(e) "PO" or "Purchase Order" as used in any document constituting a part of this Contract shall mean this Contract.

(f) "SELLER" means the Party identified on the title page of the Contract, with whom BUYER is contracting.

(g) "Work" means all required articles, materials, supplies, goods, and services constituting the subject matter of this Contract.

13. Disputes - Any dispute shall be settled in the following manner.

(a) Buyer and Seller agree to enter into negotiations to resolve any dispute. Both parties agree to negotiate in good faith to reach a mutually agreeable settlement within a reasonable amount of time.

(b) If negotiations are unsuccessful, the dispute may be decided by a court of competent jurisdiction. Pending final resolution of any dispute, Seller shall proceed with performance of this Subcontract according to Buyer's instructions so long as Buyer continues to pay amounts not in dispute.

(c) Pending any decision, appeal or judgment referred to in this provision or the settlement of any dispute arising under this Subcontract, Seller shall proceed diligently with the performance of this Subcontract.

14. Equipment, BUYER'S Property

All equipment, tools, materials, vehicles, and/or other articles required for Seller's performance of this order shall be furnished by Seller, maintained in good condition, and replaced when necessary at Seller's expense. Title to and a right of immediate possession of any property of any nature whatsoever furnished or paid for by Buyer shall remain in Buyer's possession.

15. Export Control

(a) SELLER agrees to comply fully with all applicable U.S. export control laws and regulations as they may apply to any hardware, software, information, or the direct product of such information, furnished to SELLER under this Contract. SELLER agrees that it will not permit the re-export of any the above—including to foreign nationals employed by, associated with, or under contract to SELLER or SELLER's lower-tier suppliers—without the authority of an Export License or applicable License Exception.

(b) SELLER agrees to notify BUYER if any deliverable Work under this Contract is restricted by export control laws or regulations.

(c) SELLER shall immediately notify the BUYER Procurement Representative if SELLER is listed in any Denied Parties List or if SELLER's export privileges are otherwise denied, suspended, or revoked in whole or in part by any U.S. Government entity or agency. At BUYER's request, SELLER will provide BUYER with all data BUYER may need to apply for and obtain an Export License or applicable License Exception.

16. Extras

Work shall not be supplied in excess of quantities specified in the Contract. SELLER shall be liable for handling charges and return shipment costs for any excess quantities.

17. Force Majeure

In the event of fire, accidents, abnormal weather conditions, governmental acts, strikes or other labor disputes, Acts of God, war, riots, and other civil disturbances, or any other conditions beyond either party's reasonable control which prevent manufacture, transportation, delivery, acceptance, or Buyer's prompt utilization of the goods or services covered by this order, the affected party may, without any liability or penalty, delay delivery, manufacture, transportation, acceptance, or utilization by written notice effective when received by the other party until such event and the consequences of such event of force majeure have terminated. Said notice of an event of force majeure shall contain the reason for any delay which the notifying party considers to be an event of force majeure under the provisions of this paragraph. An event of force majeure shall not include events within the total or partial control of the party giving notice, including, but not limited to, poor business judgment or estimates, material or labor shortages, or unanticipated engineering or technical difficulties. To be excused from performance under this clause, the affected party shall submit, within ten (10) calendar days of the start of the qualifying even, a written notice stating a complete and detailed description of such event, the date of commencement, an estimate of the probable period of delay, and explanation indicating how such event was beyond the party's control.

18. Furnished Property

(a) BUYER may provide to SELLER property owned by either BUYER or its customer (Furnished Property). Furnished Property shall be used only for the performance of this Contract.

(b) Title to Furnished Property shall be retained by BUYER or its customer. SELLER shall clearly mark (if not already marked) all Furnished Property to show ownership.

(c) Except for reasonable wear and tear, SELLER assumes all risk of loss, destruction, or damage of Furnished Property while in SELLER's possession, custody, or control. Upon request, SELLER shall provide BUYER with adequate proof of insurance against such risk of

loss. SELLER shall promptly notify BUYER of, any loss or damage. Without additional charge, SELLER shall manage, maintain, and preserve Furnished Property in accordance with good commercial practice.

(d) At BUYER's request or at completion of this Contract the SELLER shall submit, in an acceptable form, inventory lists of Furnished Property and shall deliver or make such other disposal as may be directed by BUYER.

19. Gratuities and Kickbacks

(a) No gratuities (in the form of entertainment, gifts, or otherwise) or kickbacks shall be offered or given by SELLER to any employee of BUYER with a view toward securing favorable treatment as a supplier.

(b) By accepting this Contract, SELLER certifies and represents that it has not made or solicited and will not make or solicit kickbacks in violation of FAR 52.203-7 or the Anti-Kickback Act of 1986 (41 USC 51-58), both of which are incorporated herein by this specific reference, except that paragraph (c)(1) of FAR 52.203-7 shall not apply.

20. Importer of Record

(Applies only if the Contract involves importation of Work into the United States).

(a) If elsewhere in the Contract BUYER is indicated as importer of record, SELLER warrants that all sales hereunder are or will be made at not less than fair value under the United States Anti-Dumping Laws (19 U.S.C. 1673 et seq.).

(b) If elsewhere in the Contract BUYER is not indicated as importer of record, then SELLER agrees that:

(i) BUYER will not be a party to the importation of Works, the transactions represented by this Contract will be consummated after importation, and SELLER will neither cause nor permit BUYER's name to be shown as "Importer of Record" on any customs declaration; and

(ii) Upon request and where applicable, SELLER will provide to BUYER a properly executed Customs Form 7501, Customs Entry.

21. Indemnification

(a) The SELLER shall indemnify BUYER against all liability that may result from any claim, action, or suit by any person, based on any alleged injury to or death of any person or damage to or loss of any property that may occur or that may be alleged to have been caused by the SELLER in the course of performance of this Contract by the SELLER. The SELLER shall pay all charges of attorneys in connection therewith and, if any judgment shall be rendered against BUYER in any such action or actions, the SELLER shall satisfy and discharge the same without cost or expense to BUYER. However, this indemnity shall not apply to claims, actions, or suits resulting from BUYER's negligence.

(b) BUYER shall indemnify the SELLER against all liability that may result from any claim, action, or suit by any person, based on any alleged injury to or death of any person or damage to or loss of any property that may occur or that may be alleged to have been caused by BUYER in the course of performance of this Contract. BUYER shall pay all charges of attorneys in connection therewith and, if any judgment shall be rendered against the SELLER in any such action or actions, BUYER shall satisfy and discharge the same without cost or expense to the SELLER.

22. Independent Contractor Relationship

(a) SELLER is an independent contractor in all its operations and activities hereunder. The employees used by SELLER to perform Work under this Contract shall be SELLER's employees exclusively, without any relation whatsoever to BUYER, and shall not be entitled to participate in or receive any of BUYER's employee benefits.

(b) SELLER shall be responsible for any costs or expenses including attorneys' fees, all expenses of litigation and settlement, and court costs, arising from any act or omission of SELLER, its officers, employees, agents, suppliers, or subcontractors at any tier, relating in any way to or affecting the performance of any of its obligations under this Contract.

23. Inspection and Acceptance

(a) BUYER and its customer may inspect all Work at reasonable times and places, including, when practicable, during manufacture and before shipment. SELLER shall provide all information, facilities, and assistance necessary for safe and convenient inspection without additional charge.

(b) No such inspection shall relieve SELLER of its obligations to furnish all Work in accordance with the requirements of this Contract. BUYER's final inspection and acceptance shall be at destination unless otherwise specified in this Contract.

(c) SELLER shall not retender rejected Work without disclosing the corrective action taken.

24. Insurance or Entry on BUYER's Property

In the event that SELLER, its employees, agents, or subcontractors enter BUYER's or its customer's premises for any reason in connection with this Contract, SELLER, as well as its subcontractors and lower-tier subcontractors, shall procure and maintain worker's

compensation, comprehensive general liability, bodily injury, and property damage insurance in reasonable amounts, and such other insurance as BUYER may require and shall comply with all site requirements. Such insurance shall be written through a licensed carrier, with a financial rating of no less than A-, in the respective state of operation and shall meet all legal minimum requirements of same state. SELLER shall indemnify and hold harmless BUYER, its officers, employees, and agents from any and all losses, costs, claims, causes of action, damages, liabilities, and expenses, including (but not limited to) attorneys' fees, all expenses of litigation and settlement, and court costs, by reason of property damage or personal injury to any person caused in whole or in part by the actions or omissions of SELLER, its officers, employees, agents, suppliers, or subcontractors at any tier. SELLER shall provide BUYER thirty (30) days advance written notice prior to the effective date of any cancellation or change in the term or coverage of any of SELLER's required insurance. If requested, SELLER shall send a Certificate of Insurance showing SELLER's compliance with these requirements. SELLER shall name BUYER as an additional insured for the duration of this Contract. Insurance maintained pursuant to this clause shall be considered primary as respects the interest of BUYER and is not contributory with any insurance which BUYER may carry.

25. Intellectual Property

(a) Unless otherwise agreed by BUYER and SELLER, SELLER agrees and understands that the Work performed hereunder is Work for Hire and as such SELLER agrees that BUYER shall be the owner of all inventions, technology, designs, works of authorship, mask works, technical information, computer software, business information, and other information conceived, developed, or otherwise generated in the performance of this Contract by or on behalf of SELLER. SELLER hereby assigns and agrees to assign all right, title, and interest in the foregoing to BUYER, including (without limitation) all copyrights, patent rights, and other intellectual property rights therein and further agrees to execute, at BUYER's request and expense, all documentation necessary to perfect title therein in BUYER. SELLER agrees that it will maintain and disclose to BUYER written records of, and otherwise provide BUYER with full access to, the subject matter covered by this clause and that all such subject matter will be deemed information of BUYER and subject to the protection provisions of the clause entitled ***Information of BUYER***. SELLER agrees to assist BUYER, at BUYER's request and expense, in every reasonable way, in obtaining, maintaining, and enforcing patent and other intellectual property protection on the subject matter covered by this clause.

(b) If SELLER and BUYER agree that performance under this Contract requires the provision or use of any proprietary programs of SELLER or of SELLER's suppliers such that BUYER and SELLER agree that paragraph (a) of this clause is not applicable to a portion of the Work, then, absent agreement of BUYER and SELLER to the contrary, SELLER shall specifically identify such proprietary programs to BUYER and shall grant to BUYER a perpetual worldwide, paid-up license or sublicense to use, copy, modify, sublicense, and create derivative works from any such proprietary programs. Upon request by BUYER, SELLER shall provide all documentation supporting such licensing rights, including copies of licenses granted by SELLER's suppliers to SELLER. SELLER shall defend and hold BUYER harmless from any and all claims arising in whole or in part from SELLER's failure to comply with this section. There shall be no additional charge for such license or sublicense beyond the price for the work to be performed under this Contract.

(c) SELLER warrants that the Work performed and delivered under this Contract will not infringe or otherwise violate the intellectual property rights of any third party in the United States or any foreign country. SELLER agrees to defend, indemnify, and hold harmless BUYER and its customers from and against any claims, damages, losses, costs, and expenses, including reasonable attorneys' fees, arising out of any action by a third party that is based on a claim that the Work performed or delivered under this Contract infringes or otherwise violates the intellectual property rights of any person or entity.

(d) Unless otherwise specified in this Contract, commercial off-the-shelf software delivered hereunder shall be the most recent revision issued by SELLER. If SELLER issues a new version within 120 days after delivery to BUYER, SELLER shall provide to BUYER at no additional charge a usable copy of the new version and an equivalent license.

26. Language and Standards

All reports, correspondence, drawings, notices, markings, and other communications shall be in the English language. The English version of the Contract shall prevail. Unless otherwise provided in writing, all documentation and Work shall use the units of U.S. standard weights and measures.

27. Limitation of Funds (Applicable if this Contract is incrementally funded.)

(a) The Parties estimate that performance of this Contract will not cost Buyer more than the estimated cost specified in the Schedule. The Seller agrees to use its best efforts to perform the Work specified in the Schedule and all obligations under this Contract within the estimated cost.

(b) The Schedule specifies the amount presently available for payment by Buyer and allotted to this Contract, the items covered, and the period of performance that the allotted amount is estimated to cover. The Parties contemplate that Buyer will, from time to time, allot additional funds to the Contract up to the full estimated cost specified in the Schedule, inclusive of any fee. The Seller agrees to perform, or have performed, Work on the Contract up to the point at which the total amount, including fee, paid and payable by Buyer under the Contract approximates but does not exceed the total amount actually allotted by Buyer to the Contract.

(c) The Seller shall notify Buyer in writing whenever it has reason to believe that the costs it expects to incur under this Contract plus allocable fee in the next sixty (60) days, when added to all costs previously incurred and allocable fee, will exceed seventy-five percent (75%) of the

total amount then allotted to the Contract. The notice shall state the estimated amount of additional funds required to continue performance for the period specified in the Schedule.

(d) Sixty (60) days before the end of the period specified in the Schedule, the Seller shall notify Buyer in writing of the estimated amount of additional funds, if any, required to continue timely performance under the Contract or for any further period specified in the Schedule or otherwise agreed upon and when the funds will be required.

(e) If, after notification, additional funds are not allotted by the end of the period specified in the Schedule or another agreed-upon date, upon the Seller's written request, Buyer will terminate this Contract on that date in accordance with the provisions of the ***Termination*** clause of this Contract (FAR 52.249-6).

28. New Materials

The Work to be delivered hereunder shall consist of new materials, as defined in FAR 52.211-5 (not used, reconditioned, remanufactured, or of such age as to impair usefulness or safety).

29. Packing and Shipment

(a) Unless otherwise specified, all Work is to be packed in accordance with good commercial practice to prevent damage and deterioration during shipping, handling, and storage.

(b) A complete packing list shall be enclosed with all shipments. SELLER shall mark containers or packages with necessary lifting, loading, and shipping information, including the BUYER contract number, item number, dates of shipment, and the names and addresses of consignor and consignee. Bills of lading shall include this Contract number.

(c) For Work shipped within the United States, unless otherwise specified, delivery shall be FOB Destination. For Work imported into the United States, unless otherwise specified, delivery shall be DDP BUYER's facility indicated on the title page of the Contract in accordance with *INCOTERMS 1990*.

30. Payments, Taxes, and Duties

(a) Unless otherwise provided, terms of payment shall be Net 45 days from the latest of the following: (i) BUYER's receipt of the SELLER's proper invoice; (ii) Scheduled delivery date of the Work; or (iii) Actual delivery of the Work. BUYER shall have a right of setoff against payments due or at issue under this Contract or any other Contract between the Parties.

(b) Payment shall be deemed to have been made as of the date of BUYER's mailed payment or electronic funds transfer.

(c) Unless otherwise specified, prices include all applicable federal, state, and local taxes, as well as duties, tariffs, and similar fees imposed by any government, all of which shall be listed separately on the invoice. Prices shall not include any taxes, impositions, charges, or exactions for which BUYER has furnished a valid exemption certificate or other evidence of exemption.

(d) All taxes, assessments and similar charges levied with respect to or upon any such products or Work owned by BUYER while in SELLER's possession or control, and for which no exemption is available, shall be borne by SELLER.

(e) The prices stated in the Contract are firm, fixed prices in United States dollars.

31. Precedence

Any inconsistencies in this Contract shall be resolved in accordance with the following (in descending order of precedence): (1) face of the Purchase Order, release document or schedule (which shall include continuation sheets), as applicable, including any special terms and conditions; (2) any master agreement, such as corporate, sector, or blanket agreements; (3) these General Provisions; and (4) Statement of Work.

32. Priority Rating

If so identified, this Contract is a "rated order," certified for national defense use, and the SELLER shall follow all the requirements of the *Defense Priorities and Allocation System Regulation* (15 C.F.R. Part 700).

33. Quality Control System

When the Purchase Order requires:

(a) SELLER shall provide and maintain a quality control system to an industry-recognized quality standard for the Work covered by this Contract.

(b) Records of all quality control inspection work by SELLER shall be kept complete and made available to BUYER and its customers during the performance of this Contract and for such longer periods as may be specified.

34. Release of Information

Except as required by law, no public release of any information, or confirmation or denial of same, with respect to this Contract or the subject matter hereof, will be made by SELLER without the prior written approval of BUYER.

35. Severabillity

The terms and conditions of this order are severable, and if any terms and conditions or portions of any terms and conditions herein are stricken or declared illegal, invalid, or unenforceable for any reason whatsoever, the legality, validity, or enforceability of the remaining terms and conditions shall not be affected thereby.

36. Stop Work Order

(a) SELLER shall stop Work for up to ninety (90) days in accordance with the terms of any written notice received from BUYER, or for such longer period of time as the Parties may agree, and shall take all reasonable steps to minimize the incurrence of costs allocable to the Work covered by this Contract during the period of Work stoppage.

(b) Within such period, BUYER shall either terminate or continue the Work by written order to SELLER. In the event of a continuation, an equitable adjustment, in accordance with the principles of the ***Changes*** clause, shall be made to the price, delivery schedule, or other provision affected by the Work stoppage, if applicable, provided that the claim for equitable adjustment is made within thirty (30) days after such continuation.

37. Survivability

If this Contract is terminated for default or convenience, SELLER shall not be relieved of those obligations contained in this Contract for the following provisions:

(a) Applicable Laws, Clause No. 2

Confidentiality of BUYER's Information, Clause No. 8

Export Control, Clause No. 15

Independent Contractor Relationship, Clause No. 22

Insurance or Entry on BUYER Property, Clause No. 24

Intellectual Property, Clause No. 25

Release of Information, Clause No. 34

Warranty, Clause No. 41

(b) Those U.S. Government flowdown provisions that, by their nature, should survive.

38. Termination for Convenience

(a) For specially performed Work, BUYER may terminate part or all of this Contract for its convenience by giving written notice to SELLER. BUYER's only obligation shall be to pay SELLER 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 BUYER using generally accepted accounting principles, that have resulted from the termination. SELLER shall not be paid for any Work performed or costs incurred that reasonably could have been avoided.

(b) In no event shall BUYER be liable for lost or anticipated profits, unabsorbed indirect costs or overhead, or any sum in excess of the total Contract price. SELLER's termination claim shall be submitted within ninety (90) days from the effective date of the termination.

(c) For other than specially performed Work, BUYER may terminate part or all of this Contract for its convenience by giving written notice to SELLER and BUYER's only obligation to SELLER shall be payment of a mutually agreed-upon restocking or service charge.

(d) SELLER shall continue all Work not terminated.

39. Timely Performance

(a) Time is of the essence in this Contract. SELLER's timely performance is a critical element of this Contract.

(b) Unless advance shipment has been authorized in writing by BUYER, BUYER may store, at SELLER's expense, or return, shipping charges collect and at SELLER's risk, all Work received in advance of the scheduled delivery date.

(c) If SELLER becomes aware of difficulty in performing the Work, SELLER shall promptly notify BUYER, in writing, giving pertinent details. This notification shall not change any delivery schedule.

(d) In the event of a termination for convenience or change, no claim will be allowed for any manufacture or procurement in advance of SELLER's normal flow time unless BUYER has given prior written consent.

40) USE OF INFORMATION – The Seller agrees that all information furnished or disclosed to Buyer by Seller in connection with this order is furnished or disclosed as part of the consideration of this order. Notwithstanding the foregoing, if Seller clearly identifies in writing information which Seller considers to be confidential or proprietary, Buyer will protect and not disclose such information except for information: (a) which is already known to Buyer through Buyer's own development prior to Buyer's first receipt of information relating to Seller's development from Seller, (b) which is or generally becomes available to the public through no fault of Buyer, or (c) which is properly obtained from a third party who has the right to make such disclosure.

41. Waiver, Approval, and Remedies

(a) Failure by BUYER to enforce any of the provisions of this Contract shall not be construed as a waiver of the requirements of such provisions, or as a waiver of the right of BUYER thereafter to enforce each and every such provision.

(b) BUYER's approval of documents shall not relieve SELLER from complying with any requirements of this Contract.

(c) The rights and remedies of BUYER in this Contract are cumulative and in addition to any other rights and remedies provided by law or in equity.

42. Warranty

(a) In addition to SELLER's standard warranty, SELLER warrants that all Work furnished pursuant to this Contract shall strictly conform to applicable specifications, drawings, samples, descriptions, and other requirements of this Contract and be free from defects in design, material, and workmanship. All warranties shall survive inspection, test and acceptance of, and payment for, the Work. All warranties shall run to BUYER and its successors, assigns, and customers. The warranty shall extend for a period of one (1) year after BUYER's final acceptance unless a different period is set forth elsewhere in this Contract. If any nonconformity of the Work appears within that time, SELLER shall promptly repair, replace, or reperform the Work, at BUYER's option. Transportation of replacement Work, return of nonconforming Work, and repeat performance of Work shall be at SELLER's expense. Work required to be corrected or replaced shall be subject to this provision and the ***Inspection and Acceptance*** provision of this Contract in the same manner and to the same extent as Work originally delivered under this Contract. If repair, replacement, or reperformance of Work is not timely, BUYER may elect to return the nonconforming Work or repair, replace Work, or reprocure the Work at SELLER's expense.

(b) SELLER further warrants that all software, firmware, and hardware (products) provided by SELLER, having date-dependent functionality containing or calling on a calendar function to process date and time data, will accurately process the date and time data (including, but not limited to, inputting, storing, manipulating, comparing, calculating, updating, displaying, outputting, and transforming such dates and data).

(1) In the event of a discovery of any date-dependent functionality noncompliance, the discovering party shall notify the other party within five (5) business days. At BUYER's option, the noncompliant products shall be repaired or replaced by SELLER within ten (10) business days of such notice at no cost to BUYER. The date-dependent functionality warranty shall run to BUYER and its successors, assigns, and customers, and shall extend indefinitely after BUYER's final acceptance.

(2) Nothing in this provision shall be construed to limit any other rights under this Contract, at law or in equity that BUYER may have with respect to date-dependent functionality compliance.

SECTION II: FAR AND DFARS FLOWDOWN PROVISIONS

A. Incorporation of FAR and DFARS Clauses

The Federal Acquisition Regulation (FAR) clauses and Defense Federal Acquisition Regulation Supplement (DFARS) clauses referenced below are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable, including any notes following the clause citation, to this Contract. If the date or substance of any of the clauses listed below is different than the date or substance of the clause actually incorporated in the Prime Contract referenced by number herein, the date or substance of the clause incorporated by said Prime Contract shall apply instead.

B. Government Subcontract

This Contract is entered into by the Parties in support of a U.S. Government contract.

As used in the FAR clauses referenced below and otherwise in this Contract:

1. "Commercial Item" means a commercial item as defined in FAR 2.101.
2. "Contract" means this Contract.
3. "CONTRACTOR" means the SELLER, as defined previously in the "Definitions" provision of this document, acting as the immediate (first-tier) subcontractor to BUYER.
4. "Prime Contract" means the Contract between BUYER and the U.S. Government or between BUYER and its higher-tier contractor who has a contract with the U.S. Government.
5. "Subcontract" means any Contract placed by the CONTRACTOR or lower-tier subcontractors under this Contract.

C. Notes

1. Substitute "BUYER" for "Government" or "United States" as applicable throughout this clause.
2. Substitute "BUYER Procurement Representative" for "Contracting Officer," "Administrative Contracting Officer," and "ACO" throughout this clause.
3. Insert "and BUYER" after "Government" or "Contracting Officer", as appropriate, throughout this clause.
4. Insert "or BUYER" after "Government" throughout this clause.
5. Communication and notification required under this clause from or to the CONTRACTOR and to or from the Contracting Officer shall be through BUYER.

D. Amendments Required by Prime Contract

CONTRACTOR agrees that upon the request of BUYER it will negotiate in good faith with BUYER relative to amendments to this Contract to incorporate additional provisions herein or to change provisions hereof, as BUYER may reasonably deem necessary in order to comply with the provisions of the applicable prime contract or with the provisions of amendments to such prime contract. If any such amendment to this Contract causes an increase or decrease in the estimated cost of, or the time required for, performance of any part of the work under this Contract, an equitable adjustment shall be made pursuant to the "Changes" clause of this Contract.

E. FAR Flowdown Clauses

	REFERENCE	TITLE
1.	**The following FAR clauses apply to this Contract :**	
(a)	FAR 52.215-20	REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA (OCT 2010) (Note 2 applies from section II, C above)
(b)	FAR 52.215-21	REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA - MODIFICATIONS (OCT 2010) (Note 2 applies from section II, C above)
(c)	FAR 52.219-8	UTILIZATION OF SMALL BUSINESS CONCERNS (JAN 2011)
(d)	FAR 52.222-21	PROHIBITION OF SEGREGATED FACILITIES (FEB 1999)
(e)	FAR 52.222-26	EQUAL OPPORTUNITY (MAR 2007)
(f)	FAR 52.222-50	COMBATING TRAFFICKING IN PERSONS (FEB 2009) (From section II, C above, note 2 applies from section II, C above and in paragraph (e) Note 3 applies.)
(g)	FAR 52.225-13	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (JUN 2008)

(h) FAR 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS (DEC 2010)

(i) FAR 52.247-64 PREFERENCE FOR PRIVATELY OWNED U.S. FLAG COMMERCIAL VESSELS (FEB 2006)

2. The following FAR clauses apply to this Contract if the value of this Contract equals or exceeds $15,000:

(a) FAR 52.222-36 AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (OCT 2010)

3. The following FAR clauses apply to this Contract if the value of this Contract equals or exceeds $100,000:

((a) FAR 52.222-35 EQUAL OPPORTUNITY FOR SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS (SEP 2010)

(b) FAR 52.222-39 RESERVED

4. The following FAR clauses apply to this Contract if the value of this Contract equals or exceeds $150,000:

a) FAR 52.203-12 LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (OCT 2010)

5. The following FAR clauses apply to this Contract if the value of this Contract equals or exceeds $5,000,000:

(a) FAR 52.203-13 CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT (APR 2010) (Applicable if the period of performance is more than 120 days. Disclosures made under this clause shall be made directly to the Government entities identified in the clause.)

6. The following FAR clauses apply to this Contract as indicated:

(a) FAR 52.204-2 SECURITY REQUIREMENTS (AUG 1996) (Applies if the Work requires access to classified information.)

(b) FAR 52.204-9 PERSONAL IDENTITY VERIFICATION OF CONTRACTOR PERSONNEL (JAN 2011) (Applicable where the Contractor will have physical access to a federally-controlled facility or access to a Federal information system.)

(c) FAR 52.225-1 BUY AMERICAN ACT -- SUPPLIES (FEB 2009) (Applicable; if the Work contains other than domestic components. Note 2 applies, from section II, C above, to the first time "Contracting Officer" is mentioned in paragraph (c).)

(d) FAR 52.227-19 COMMERCIAL COMPUTER SOFTWARE-RESTRICTED RIGHTS (DEC 2007) (Applicable only if existing computer software is to be delivered under this Contract.)

(e) FAR 52.245-1 GOVERNMENT PROPERTY (AUG 2010) ("Contracting Officer" means "BUYER" except in the definition of Property Administrator and in paragraphs (h)(1)(iii) where it is unchanged, and in paragraphs (c) and (h)(4) where it includes BUYER. "Government" is unchanged in the phrases "Government property' and "Government furnished property" and where elsewhere used except in paragraph (d)(1) where it means "BUYER" and except in paragraphs (d)(2) and (g) where the term includes BUYER." The following is added as paragraph (n) "Seller shall provide to BUYER immediate notice if the Government or other contractor (i) revokes its assumption of loss under any direct contracts with Seller, or (ii) makes a determination that Seller's property management practices are inadequate, and/or present an undue risk, or that Seller has failed to take corrective action when required.")

F. CERTIFICATIONS AND REPRESENTATIONS

Contractor acknowledges that ASRC FEDERAL HOLDING COMPANY will rely upon Contractor certifications and representations contained in this clause and in any written offer, proposal or quote, or company profile submission, which results in award of a contract to Contractor. By entering into such contract, Contractor republishes the certifications and representations submitted with its written offer, including company profile information, and oral offers/quotations made at the request of ASRC FEDERAL HOLDING COMPANY, and Contractor makes those certifications and representations set forth below. Contractor shall immediately notify ASRC FEDERAL HOLDING COMPANY of any change of status regarding any certification or representation.

1. FAR 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (SEPT 2007)

(Applicable to solicitations and contracts exceeding $150,000)

(a) Definitions. As used in this provision—

"Lobbying contact" has the meaning provided at 2 U.S.C. 1602(8).

The terms "agency," "influencing or attempting to influence," "officer or employee of an agency," "person," "reasonable compensation," and "regularly employed" are defined in the FAR clause of this solicitation entitled "Limitation on Payments to Influence Certain Federal Transactions" (52.203-12).

(b) Prohibition. The prohibition and exceptions contained in the FAR clause of this solicitation entitled "Limitation on Payments to Influence Certain Federal Transactions" (52.203-12) are hereby incorporated by reference in this provision.

(c) Certification. Contractor hereby certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on its behalf in connection with the awarding of this contract.

(d) Disclosure. If any registrants under the Lobbying Disclosure Act of 1995 have made a lobbying contact on behalf of the offeror with respect to this contract, Contractor shall complete and submit, with its offer, to ASRC FEDERAL HOLDING COMPANY OMB Standard Form LLL, Disclosure of Lobbying Activities, to provide the name of the registrants. Contractor need not report regularly employed officers or employees of the offeror to whom payments of reasonable compensation were made.

(e) Penalty. Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by 31 U.S.C. 1352. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure required to be filed or amended by this provision, shall be subject to a civil penalty of not less than $10,000, and not more than $100,000, for each such failure.

2. **FAR 52.209-5 Certification Regarding Responsibility Matters (APR 2010)**

(Applicable to solicitations and contracts exceeding $150,000)

(a) Contractor certifies that, to the best of its knowledge and belief, that CONTRACTOR and/or any of its Principals, (as defined in FAR 52.209-5,) are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency.

(b) Contractor shall provide immediate written notice to ASRC FEDERAL HOLDING COMPANY if, any time prior to award of any contract, it learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

3. **FAR 52.222-22 Previous Contracts and Compliance Reports (FEB 1999)**

(Applicable to solicitations and contracts exceeding $10,000)

Contractor represents that if Contractor has participated in a previous contract or subcontract subject to the Equal Opportunity clause (FAR 52.222-26) (a) Contractor has filed all required compliance reports and (b) that representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.

4. **FAR 52.222-25 Affirmative Action Compliance (APRIL 1984)**

(Applicable to solicitations and contracts when FAR 52.222-26 is included)

Contractor represents: (a) that Contractor has developed and has on file at each establishment, Affirmative Action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or (b) that in the event such a program does not presently exist, Contractor will develop and place in operation such a written Affirmative Action Compliance Program within one-hundred twenty (120) days from the award of this Contract.