



## FAIRCHILD CONTROLS CORPORATION

### TERMS AND CONDITIONS - (02/14/05)

**1. ACCEPTANCE** - This Purchase Order ("Order") constitutes an offer by Buyer which is accepted by Seller solely in accordance with the terms set forth herein and on the face of the Order upon the earlier of Seller's (i) signing and returning the acknowledgment copy hereof, or (ii) commencement of effort, or delivery in whole or in part of articles or the furnishing of services required herein.

**2. ADDENDA** - All supplemental or acknowledged sheets, schedules, exhibits, specifications, drawings, data or riders which may be annexed hereto or referenced herein are made a part of this Order. Seller acknowledges that it has available to it all specifications, drawings and data incorporated in this Purchase Order and that they are adequate to enable Seller to perform the work called for herein in accordance with the delivery schedule.

**3. APPLICABLE LAW AND DISPUTES** - Any dispute arising under or related to this Order shall be governed by the law of the state appearing in Buyer's address on the face hereof. However, if this Order is placed under a government prime or higher tier contract, the Federal Law of Government Contracts as enumerated and applied by the Federal courts and the Agency of Contract Appeals shall apply. Pending the resolution of any disputes, Seller shall proceed as directed by Buyer.

**4. ASSIGNMENT AND SUBCONTRACTING** - This Order or any interest hereunder shall not be assigned or transferred by Seller without the prior written consent of Buyer. Payments to the Seller or any authorized assignee of any claim under this Order shall be subject to reduction or set-off for any present or future claim or claims which Buyer may have against Seller. Seller shall not subcontract the furnishing of any of the complete or substantially complete items required by this Order, without the prior written approval of Buyer.

**5. BUYER FURNISHED PROPERTY** - If any property, including material, tooling and equipment is identified in this Order either (i) to be furnished to Seller by Buyer solely for performance of this order or (ii) to be acquired by Seller for performance of this order, title to such property shall remain with, or shall vest in, upon payment therefore by, the Buyer or its customer. Title to such property shall not be affected by incorporation or attachment to other property. Use of such property, other than in performance of this Order, must be authorized in writing by Buyer. With the exception of reasonable wear and tear, Seller shall bear the risk of loss, destruction of and the damage to such property. When instructed by Buyer, Seller shall deliver the property to Buyer, F.O.B. Seller's plant, at the completion or termination of this Order.

**6. BUYER'S RIGHTS IN SELLER'S DATA AND PATENTS** - If at any time during the performance of this Order (a) Seller suspends business operations or becomes bankrupt or insolvent, (b) this Order is terminated for default or (c) if at any time within five (5) years from the date of this Order, Seller, for any reason, discontinues acceptance of follow-on orders of like or similar items to those ordered hereunder, Buyer shall have a royalty-free nonexclusive license to use and license other to use Seller's patents, designs, processes, know how, drawings, and technical data relating to the supplies and services as defined in this Order or purposes of producing and selling items required to be supplied by Buyer's existing or follow-on contracts with its customers. In order to accomplish an orderly transition to Buyer's new source, Seller further agrees to provide Buyer with necessary technical aid and assistance at reasonable prices.

**7. CHANGES** - Buyer may at any time by a written order make changes within the general scope of this Order in any one or more of the following: (i) drawings, designs, or specifications; (ii) method of shipping or packing; (iii) place or time of delivery; and (iv) quantity. Seller shall proceed immediately to perform this Order as changed. If any such changes cause an increase or decrease in the cost of or the time required for the performance of this Order, an equitable adjustment shall be made in the price or delivery schedule, or both, and this Order shall be modified in writing accordingly. Any claim for adjustment under this provision must be submitted in writing within twenty (20) days from the date the change is ordered together with cost or pricing data sufficient to permit evaluation of such claim. Where the cost of property made obsolete or excess as a result of a change is included in the contractor's claim for adjustment (and supported by inventory schedules to be submitted within three (3) months from the date of change), the Buyer shall have the right to prescribe the manner of disposition of such property. Failure of the parties to agree upon any adjustment to be made under this clause shall not excuse Seller from proceeding with the Order as changed, or as directed by an authorized representative of Buyer's Purchasing Department.

The issuance of information, advice, approvals or instructions by Buyer's technical personnel or other representatives shall not

affect Buyer's and Seller's rights and obligations hereunder, unless the same is in writing signed by an authorized representative of the Buyer's Purchasing Department.

**8. COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS** - Seller has complied with and shall comply with all applicable Federal, State and Local laws and ordinances and all order, rules and regulations thereunder. Seller shall save and hold Buyer harmless from, and reimburse it for, any and all costs, damages and expenses (including attorney's fees) suffered or occasioned to it through any failure of Seller to comply with any laws, orders, rules, regulations or ordinances.

**9. CONFIDENTIAL RELATIONSHIP** - Unless the written consent of Buyer is first obtained, Seller shall not in any manner advertise or publish or release for publication any statement mentioning Buyer or the fact that Seller has furnished or contracted to furnish to Buyer items and/or services required by this Order, or quote the opinion of any employees of Buyer. Seller shall not discuss any information relating to this Order except to the extent necessary for performance.

**10. DELIVERY** - Buyer reserves the right to refuse shipments made in advance of the schedule set forth in this Order, to return advance shipments at Seller's expense, and/or to hold any pre-dated articles and pay invoices on such shipments on normal maturity after schedule date. Overshipment allowances, if authorized, will be applied to the entire Order. If Buyer agrees to accept deliveries after the date of delivery has passed, Buyer shall have the right to direct the Seller to make shipment to the delivery point set forth in this Order by the most expeditious means and any additional cost of such expedited shipment and handling shall be borne by the Seller. Acceptance of late deliveries shall not be deemed a waiver of Buyer's right to hold the Seller liable for any loss or damage resulting therefrom, nor shall it act as a modification of the Seller's obligation to make future deliveries in accordance with the delivery schedule set forth in this Order.

**11. DESIGN AND INVENTION RIGHTS** - If this Order has as one of its purposes, design, experimental, developmental or research work, Seller agrees to communicate promptly to Buyer full details of any ideas, improvements, designs or inventions (whether or not patentable) conceived of, developed or first reduced to practice by Seller or any of its employees in connection with the performance of this Order. Upon Buyer's request, Seller shall assign to Buyer all right, title and interest of the Seller or its employees in each such, ideas, improvements, designs or inventions, and to perform all acts (at Buyer's expense) and execute all papers necessary to vest in Buyer full right, title and interest therein, including the patenting thereof.

**12. DRAWINGS, SPECIFICATIONS AND TECHNICAL INFORMATION** - Drawings, data, designs, inventions and other technical information supplied by Buyer in connection herewith (hereinafter called "Data"), shall remain Buyer's property and shall be held in confidence by Seller. Such Data shall not be reproduced, used or disclosed to others by Seller without Buyer's prior written consent. Upon completion of work by Seller under this Order, Seller shall promptly return all Data to Buyer together with all copies or reprints thereof then in Seller's possession or control, and Seller shall therefore make no further use, either directly or indirectly, or any such Data or any information derived therefrom without Buyer's prior written consent; provided, however, Seller may produce articles for direct sale by Seller to the United States Government using such Data where the United States Government has a right to the use of such Data for the manufacture of military or foreign assistance supplies or services. Any information which Seller may disclose to Buyer with respect to the design, manufacture, sale or use of the items covered by this Order shall be deemed to have been disclosed as part of the consideration for this Order, and Seller shall not assert any claim (other than a claim for patent infringement) against Buyer by reason of Buyer's use thereof.

**13. FALSE CLAIMS AND INDEMNITY** - The Seller shall indemnify the Buyer for any cost incurred and any payments made by the Buyer resulting from false claims submitted by the Seller under this Order or as a result of a Seller's misrepresentation of fact or fraud relating to any claim or dispute arising under or related to this Order.

**14. INDEMNIFICATION AND INSURANCE** - If, in the course of the performance of this Order, Seller, its agents, employees, or subcontractors enter upon premises occupied by or under control of Buyer or any of its customers or suppliers, Seller shall take all necessary precautions to prevent occurrence of any injury, including death, to any person or any damage to any property arising out of any acts or omissions of Seller, its agents, employees, or subcontractors. Seller shall indemnify Buyer for, and hold Buyer harmless from, any liability, losses, damages, claims and expenses arising out of or connected with any act or omission of Seller, its agents, employees, or subcontractors except for injury or damage due solely to Buyer's negligence or other fault. Seller shall maintain such public liability and property damage insurance as will protect Buyer from any such risks in an amount not less than \$5,000,000 combined single limit coverage.

**15. INDUSTRIAL LAWS AND BENEFITS** - Seller's relationship to Buyer in the performance of this Order is that of an Independent Contractor. Neither the Seller nor any of the persons furnishing materials or performing work or services which are required by this Order are employees of Buyer within the meaning of or the application of any Federal or State Unemployment Insurance Law or other Social Security Law or any Workman's Compensation Industrial Accident Law or other Industrial or Labor Law. The Seller shall, at its own expense, comply with such laws and assume all liabilities or obligations imposed by any one or more of such laws and regulations thereunder with respect to this Order.

**16. INSPECTION** - All supplies shall be subject to inspection and test at all times and places, including the period of manufacture, by Buyer, its customers, and applicable regulatory agencies. If any inspection or test is made on Seller's premises, Seller, without additional charge shall: (i) provide all reasonable facilities and assistance for the safety and convenience of Buyer and its customer inspectors; (ii) make available to the inspectors copies of all drawings, specifications, and processes applicable to the articles ordered; and (iii) promptly furnish Buyer with any and all resulting inspection certificates. All articles are subject to final inspection and acceptance at Buyer's plant notwithstanding any payment or other prior inspections. Buyer may reject and hold at Seller's expense, subject to Seller's disposal, all supplies not conforming to applicable specifications, drawings, samples, or descriptions. Without limiting any other rights or remedies it may have as provided herein or at law or equity, Buyer, at its option, may (i) require Seller to repair or replace at Seller's expense any item of supplies ordered which fails to meet the requirements of this Order; (ii) require Seller to refund the price of any such item; (iii) elect to retain and repair any such items with an appropriate reduction from the price otherwise due Seller to offset Buyer's costs of effecting necessary correction; or (iv) recover by offset or otherwise any and all damages and expenses incurred by Buyer as a result of such rejection. Neither final inspection, payment, nor any limitations contained in the warranty clause shall relieve Seller from responsibility for the correction or replacement of defective articles arising due to fraud, gross mistakes amounting to fraud, or for latent defects. The Seller, furnishing materials to Buyer drawings and specifications, shall maintain a quality system suitable to the Buyer and, unless otherwise specified, meet the requirements of ANSI/ISO/ASQC Q9001-2000, Quality System. Seller shall notify Buyer of any changes to the quality system. Seller's quality system shall make provisions to maintain records pertinent to product manufactured to Buyer drawings and specifications a minimum of seven years.

**17. INVOICING AND PAYMENT** - A separate invoice shall be issued to Buyer for each shipment made by Seller. Unless otherwise specified in this Order, an invoice shall not be issued prior to shipment of items and payment will not be made prior to receipt of items and correct invoice. Credit and discount periods will be computed from the date of receipt of the correct invoice to the date Buyer's check is mailed.

**18. LIMITATIONS OF LIABILITY** - Notwithstanding any other provision of this Order, Buyer's maximum liability to Seller shall not exceed the purchase price of this Order. Seller shall not be entitled to any incidental, special or consequential damages if Buyer breaches or otherwise fails to perform any obligations under this Order.

**19. MODIFICATION OF ORDER** - This Order contains all the agreements and conditions of sale and no course of dealing or usage of the trade shall be applicable unless expressly incorporated in this Order. The terms and conditions contained in this Order may not be added to, modified, superseded or otherwise altered except by a written modification signed by an authorized representative of the Buyer's Purchasing Department and delivered by Buyer to Seller. Each shipment received by Buyer from Seller shall be deemed to be only upon the terms and conditions contained in this Order notwithstanding any terms and conditions that may be contained in any acknowledgement, invoice or other form of Seller, and notwithstanding Buyer's act of accepting or paying for any shipment or similar act of Buyer.

**20. NOTICE OF DELAY** - Whenever any event, including an actual or potential labor dispute, is delaying or threatens to delay the timely performance of this Order, Seller shall immediately give notice thereof, including all relevant information with respect thereto, to Buyer. Seller shall insert the substance of this clause, including this sentence, in any subcontract hereunder.

**21. NO WAIVER OF CONDITIONS** - Buyer's failure to insist upon strict compliance shall not be deemed to be a waiver of any right, and waiver of a right under this Order shall not constitute a waiver of any other right or waiver of any other default under this Order.

**22. ORDER OF PRECEDENCE** - In the event of an inconsistency between the clauses of this Order, the inconsistency shall be resolved by giving precedence in the following order (a) provisions on the face of this Order; (b) Terms and Conditions; (c) other provisions of the Order, whether attached or incorporated by reference; and (c) the Specifications.

**23. PACKING, MARKING AND SHIPPING** - Seller shall pack, mark and ship all goods and supplies in accordance with the requirements of this Order so as to be in compliance with transportation regulations and good commercial practice for protection and shipment and shall secure the most advantageous transportation service and rates consistent therewith. No separate or additional charge is payable by Buyer for containers, crating, boxing, bundling, dunnage, drayage or storage unless specifically stated in this Order. Any expense incurred by Buyer as a result of improper preservation, packaging, packing, marking or method of shipment shall be reimbursed by Seller. A packing list showing this Order number (and release number, if applicable) shall be included with each shipment, and each container shall be marked to show the Order number. Seller shall mail the original bill of lading to buyer as instructed. Any transportation charges paid by Seller for which Seller is entitled to reimbursement shall be shown on Seller's invoice as a separate line item with the receipted freight bill attached to the invoice.

**24. PATENT INDEMNITY** -

a. Seller shall defend and hold harmless Buyer, its customers and those for whom Buyer may act as agent, from all loss or damage by reason of any and all actions or proceedings charging infringement or wrongful use of any patent, trademark, trade secret or copyright by reasons of sale or use of any merchandise, software or data furnished hereunder, except where the articles specified herein are made entirely to the design supplied by Buyer. In such case, Buyer will defend, at its own cost and expense every claim or action which may be brought against Seller for alleged infringement of any patent, trademark or copyright by the article and Buyer agrees to pay all costs, damages if recoverable in any such claim or action against the Seller. Each party shall promptly notify the other of all charges of infringement and shall provide all reasonable assistance to the other party in defense of an infringement suit required hereunder to be defended by the other party.

b. If the use or sale of any item, in respect to which Seller indemnifies Buyer, is enjoined as a result of any action or proceeding, Seller, at no expense to Buyer, shall obtain for Buyer and its customers, the right to use and sell said item or shall substitute an equivalent item acceptable to Buyer and extend this patent indemnity with respect to such equivalent item. In the event that Seller is unable to secure such right of use for Buyer of its customers or to secure an equivalent item as a substitute, Seller will indemnify Buyer and its customer for any and all losses or damages sustained by reason of such injunction.

**25. PRICES** - Unless otherwise stated on the face hereof, Seller represents that the price of this Order: (i) includes all federal, state or local taxes, fees, excises, and/or charges which are now or may be hereafter imposed with respect to the manufacture and sale of such items; and (ii) includes all charges or costs associated with the suitable packing, packaging, preparation for shipment, crating, or cartage of the items ordered. Seller further represents that the price or prices specified in the order are based on current pricing data and do not exceed the last price or prices quoted or charged or currently being quoted for the same or substantially similar articles whether to the Government or to any other Buyer, taking into account quantity and schedule considerations.

**26. SEPARABILITY** - If any term or provision of this Order is determined to be invalid or unenforceable, such determination shall not affect the validity of the remaining terms and conditions. In such case, the Order shall be deemed to have been executed without the invalid or unenforceable term or provision.

**27. SPECIAL EQUIPMENT -**

a. Title to all tools, dies, jigs, and fixtures used in the manufacture of the supplies required hereby (hereinafter referred to as "Special Equipment") shall vest in Buyer immediately upon Seller's manufacture or acquisition thereof, Seller agreeing that the purchase price stated on the face hereof includes the cost of any such Special Equipment manufactured or acquired in pursuance hereof. Similarly, Special Equipment used by Seller as owned, furnished, or paid for by Buyer under the terms of this or other of Buyer's Purchase Orders and used hereon shall remain the property of Buyer or Buyer's customers, and shall not be altered or modified without Buyer's consent.

b. Unless otherwise approved by Buyer, such Special Equipment shall be used only in the performance of this Order except that Seller may use such Special Equipment for the manufacture of supplies or furnishing of services to the United States Government to the extent the Government has the right under its prime contract with Buyer to authorize such use, further provided such use will not interfere with Seller's performance of this Order or other purchase orders of Buyer.

c. At no additional cost to Buyer: Seller shall (i) follow normal industrial practices in the identification, maintenance, preservation, and segregation of Special Equipment; (ii) establish and maintain property control records available for inspection by Buyer or its customer at all reasonable times; and (iii) if title to such Special Equipment vests in the United States Government, will maintain and control such Special Equipment in accordance with FAR Part 45 in effect as of the date hereof, which is incorporated herein by reference.

d. When this Order indicates that the Government is to acquire title to Special Tooling (as such term is defined in FAR 52.245.17) then title to such Special Tooling shall immediately vest in the United States Government upon Seller's acquisition or manufacture thereof provided the full cost thereof is charged to this Order. When this Order indicates that the United States Government is to acquire title to Special Test Equipment, as such term is defined in FAR 52.245.18, but does not specify the items to be acquired then, title to any Special Test Equipment shall immediately vest in the United States Government upon Seller's manufacture or acquisition thereof. Seller shall give Buyer forty (40) days advance written notice of its intention to acquire any Special Test Equipment or components thereof having an item acquisition cost of \$1,000.00 or more. Buyer may then elect to furnish any such Special Test Equipment or any component thereof to Seller within said forty (40) day period. In the event Seller has not received such notice within the aforementioned period, Seller may proceed to acquire such Special Test Equipment or components. If Buyer furnished any such Special Test Equipment or components as a result of the above, this Order shall be equitably adjusted in accordance with the "Changes" Clause to reflect an appropriate reduction in price resulting from Buyer's furnishing Seller any such Special Test Equipment or components thereof.

e. Upon delivery to it, or manufacture or acquisition by it, of any Special Equipment, Special Tooling or Special Test Equipment, title to which is in Buyer or its customer, Seller assumes the risk and shall be responsible for any loss thereof or damages thereto while in its possession. Unless otherwise directed by Buyer, upon completion or termination of this order or other of Buyer's orders utilizing such Special Equipment, Special Tooling, or Special Test Equipment, Seller shall promptly furnish, in

suitable form, a list thereof with a request for disposition instructions. Pending receipt of such instructions, Seller shall hold and preserve such Special Equipment, Special Tooling, or Special Test Equipment free of charge for a period of six months. All Special Equipment, Special Tooling, or Special Test Equipment furnished to Seller by Buyer shall be returned to Buyer in the same condition as received, normal wear and tear excepted.

**28. STOP WORK** - Buyer may at any time, by written order to Seller require Seller to stop all or any portion of the work called for by this Order in accordance with the terms of FAR 52.242.13. In the context of this clause, "Contracting Officer" and "Government" mean Buyer and "Contractor" means Seller.

**29. TERMINATION -**

a. For Convenience: Buyer may terminate this Order for its convenience, in whole or in part, from time to time, in accordance with FAR 52.249-2 as in effect on the date of this Order. The terms "Government" and "Contracting Officer" mean Buyer and the term "Contractor" means Seller, except if this Order is terminated as a result of a termination for convenience issued by the Government, the term, "Government" does not change in Paragraphs (b)4, (6), (8), and (m). If this Order is terminated for convenience solely by Buyer, audits and examination of records, as required by Buyer shall be performed by Buyer and/or a mutually acceptable independent audit agency, the expense of which shall be shared equally by Buyer and Seller. In Paragraph (d), delete "1 year" and substitute "3 months" therefor. Notwithstanding anything to the contrary, Buyer shall not be liable for any incidental, special or consequential damages. The provisions of this clause shall not limit or affect the right of Buyer to terminate this Order for default.

b. For Default: 1. This Order may be terminated for default pursuant to FAR 52.249-8 incorporated herein by reference, it being understood that time is of the essence. Reference to the "Disputes" Clause is hereby deleted. In the context of this clause "Contracting Officer" and "Government" mean Buyer and "Contractor" means Seller. 2. This Order may be terminated pursuant to (1) above if Seller becomes insolvent or is subject to proceedings under any law relating to bankruptcy, or in the event of an appointment of a receiver or trustee, or the assignment by Seller for the benefit of creditors.

**30. TITLE AND RISK OF LOSS** - Title to and all risk of loss of or damage to supplies to be delivered hereunder shall remain in Seller until such supplies are delivered to Buyer at the destination specified on the face of this Order. Seller shall bear all risk of loss or damage to supplies rejected by Buyer, after notice of rejection until such supplies are redelivered to Buyer, except for loss, destruction or other damage to such rejected supplies resulting from the gross negligence of officers, agents, or employees of Buyer acting within the scope of their employment. Passing of title upon delivery shall not constitute acceptance of the items by Buyer. All items to be delivered hereunder and all property to be returned to Buyer shall be free and clear of any and all liens and encumbrances whatsoever.

**31. WARRANTY** - Seller warrants that articles ordered to Buyer's specifications will conform thereto and to any drawings, samples, or other descriptions furnished by Buyer, and, if ordered to Seller's design or descriptive literature, will be fit and sufficient for the purpose intended. In any event, all articles will be merchantable, or good material and workmanship, and free from defects.

Such warranties, together with Seller's service warranties and guarantees, if any, shall survive inspection, test, acceptance of, and payment for the articles and shall run to Buyer, its successors, assigns and customers. Buyer may, at its option, either return for credit or require prompt correction or replacement of the defective or nonconforming article or part thereof. Return to Seller of such article and delivery to Buyer of any corrected or replaced articles shall be at Seller's expense. Articles required to be corrected or replaced shall be subject to the provisions of this clause and the inspection clause in the manner and to the same extent as articles originally delivered under this Order. Except for latent defects, fraud or such gross mistakes and amounts to fraud, Seller's obligations under this clause shall apply to such defects and nonconformances as occur within two (2) years from date of delivery, or redelivery, of the articles to Buyer or to Buyer's customer. All warranties, both express and implied, shall be construed as conditions as well as promises, and shall not be deemed to be exclusive.

**32. HAZARDOUS MATERIAL** - Seller warrants that prior to shipment or transfer of any chemical substance to Buyer hereunder that is on the list of chemical substances compiled and published by the Environmental Protection Agency or Hazardous Material as defined in Appendix A of Federal Standard number 313A that he shall provide the buyer with the appropriate Material Safety Data Sheets before the delivery of material.

**33. CONDITIONS APPLICABLE TO ORDERS PLACED UNDER UNITED STATES GOVERNMENT CONTRACTS** are included in Supplementary Provisions A and attached hereto.



FAIRCHILD CONTROLS CORPORATION

A

SUPPLEMENTARY PROVISIONS A - 02/14/05

CONDITIONS APPLICABLE TO ORDERS PLACED UNDER UNITED STATES GOVERNMENT CONTRACTS

If this Order is placed under a United States Government contract, or a subcontract under any United States Government Contract, the following conditions are applicable:

A. The following clauses of the Federal Acquisition Regulation (FAR) and of the Department of Defense FAR Supplement (DFARSUP) as applicable, are hereby incorporated by reference. However, whenever any clause includes a requirement for the settlement of disputes between the parties in accordance with the "Disputes" clause, the dispute shall be disposed of in accordance with Article 3., entitled "Applicable Law and Disputes." Clauses referenced below shall be those in effect on the effective date of this Order. If there is a conflict or addition to a clause in effect of the effective date of this Order and a clause of the Prime Contract, the Prime Contract clause shall govern. Whenever necessary to make the context of the clauses set forth below applicable to this Order, the term "Contractor" shall mean Seller, the term "Contract" shall mean this Order, and the terms "Government", "Contracting Officer" and equivalent phrases shall mean Buyer, except the terms "Government" and "Contracting Officer" do not change: (1) In the phrases "Government Property", "Government Equipment" and "Government-Owned Equipment", (2) When a right, act, authorization or obligation can be granted or performed only by the Government or the prime contract Contracting Officer or his duly authorized representative, (3) When title to property is to be transferred directly to the Government, (4) Where specifically modified as set forth below and (5) in FAR's: 52.214-26, 52.215-2, 52.227-1, 52.227-2, 52.230-4, 52.246-23.

B. The clauses incorporated herein by reference have the same force and effect as if they were incorporated and attached in full context.

(1) FAR

Table with 4 columns: CLAUSE NO., TITLE, CLAUSE NO., TITLE. Lists 20 clauses from FAR and DFARSUP.

11)	52.211-14	Notification of Priority Rating for National Defense Use			
20)	52.219-9	Small Business Subcontracting Plan (Orders of \$500,000 or more, but does not apply to Small Business Concerns)	41)	52.227-14	Rights in Data – General
21)	52.222-3	Convict Labor	42)	52.227-16	Additional Data Requirements
22)	52.222-4	Contract Work Hours and Safety Standard Act-Overtime Compensation	43)	52.227-17	Rights in Data – Special Works
23)	52.222-20	Walsh-Healy Public Contracts Acts (Orders of \$10,000 or more-required annually)	44)	52.227-18	Rights in Data – Existing Works
24)	52.222-21	Prohibition of Segregated facilities (Orders of \$10,000 or more-required annually)	45)	52.227-21	Technical Data Declaration, Revision and Withholding of Payment- Major Systems
25)	52.222-26	Equal Opportunity (Orders of \$10,000 or more, Par. (a) is deleted)	46)	52.227-22	Major System – Minimum Rights
26)	52.222-35	Equal Opportunity for Special Disabled and Veterans, Veterans of the Vietnam Era, and other eligible Veterans	47)	52.227-23	Rights to Proposal Data (Technical)
27)	52.222-36	Affirmative Action for Workers with Disabilities (Orders of \$10,000 or more)	48)	52.228-5	Insurance – Work on a Government Installation (Kinds and Amounts Set Forth in Order, Par. (c) Change “5” to “10”)
28)	52.222-37	Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era and Other Eligible Veterans	49)	52.230-2	Cost Accounting Standards
29)	52.222-41	Service Contract Act of 1965, as Amended	50)	52.230-3	Disclosure and Consistency of Cost Accounting Practices
30)	52.223-3	Hazardous Material Identification and Material Safety Data (in para C, the term “Government” Includes Buyer)	51)	52.230-4	Consistency of Cost Accounting Standards (Orders of \$550,000 or more)
31)	52.225-1	Buy American Act-Supplies	52)	52.232-9	Limitation on Withholding of Payments
32)	52.225-8	Duty Free Entry (Orders of \$10,000 or more, in Par. (E) the terms “Government” and “Contracting Officer” do not change)	53)	52.232-11	Extras
33)	52.225-13	Restrictions on Certain Foreign Purchases	54)	52.232-17	Interest
34)	52.227-1	Authorization and Consent	55)	52.233-3	Protest after Award
35)	52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement	56)	52.242-15	Stop Work Order
36)	52.227-3	Patent Indemnity	57)	52.244-5	Competition in Subcontracting
37)	52.227-9	Refund of Royalties (If Royalties Reported Exceed \$250)	58)	52.245-2	Government Property (Fixed Price Contracts)
38)	52.227-10	Filing of Patent Applications-Classified Subject Matter	59)	52.245-17	Special Tooling
39)	52.227-11	Patent Rights – Retention by Contractor -Short Form	60)	52.245-18	Special Test Equipment
			61)	52.246-23	Limitation of Liability
			62)	52.247-1	Commercial Bill of Lading Notations
			63)	52.247-63	Preference for U.S. – Flag Air Carriers
			64)	52.248-1	Value Engineering (Orders of \$100,000 or more)
			65)	52.249-1	Termination For Convenience of the Government – (Fixed Price) Short Form
			66)	52.249-2	Termination for Convenience of the Government (Fixed Price)
			67)	52.249-8	Default (Fixed Price Supply and
					Service)
40)	52.227-13	Patent Rights – Acquisition by Government			

2) DFARSUP (Applicable to all orders of any tier under prime contracts with the Department of Defense. Any inconsistency between DFARSUP provision and FAR provisions shall be resolved in favor of the DFARSUP provisions.)

CLAUSE NO.	TITLE	CLAUSE NO.	TITLE
252.203-7001	Special Prohibition on Employment	252.227-7037	Validation of Restrictive Markings on Technical Data
252.225-7001	Buy American Act and Balance of Payments Program	252.235-7003	Frequency Authorization
252.225-7002	Qualified Country Sources As Subcontractors	252.246.7001	Warranty of Data
252.225-7013	Duty-Free Entry		
252.225-7014	Preference for Domestic Specialty Metals		
252.227-7013	Rights in Technical Data Non-Commercial Items		

252.227-7026	Deferred Delivery of Technical Data or Computer Software
252.227-7027	Deferred Ordering of Technical Data or Computer Software
252.227-7030	Technical Data – Withholding of Payment

C. If the price of Buyer's Prime Contract or higher tier contract is reduced as a result of:

- (1) Seller furnishing to Buyer its own or a subcontractor's cost or pricing data which was not complete, accurate and current, or
- (2) Seller or its subcontractor failing to comply with an applicable Cost Accounting Standard or to follow consistently any cost accounting practice disclosed pursuant to FAR 52.230-3.

Seller shall indemnify and hold Buyer harmless from and against any and all loss or damage resulting thereby.

D. Priorities. If this Order contains a Government Priority Number, this is a rated order certified for national defense use and Seller is required to follow all of the provisions of the Defense Priorities and Allocation System Regulations (15 CFR Part 350).



## FAIRCHILD CONTROLS CORPORATION

### ADDENDUM A - 02/14/05

Addendum "A" to FCC's Supplementary Provisions "A"

- A. The following clauses of the Federal Acquisition Regulation (FAR), the Department of Defense FAR Supplement (DFARSUP) or as applicable are hereby incorporated by reference.
- B. The clauses incorporated herein by reference have the same force and effect as if they were incorporated and attached in full context.
  - 1. DFARSUP:
    - 35. 252.225-7014 - Duty-Free Entry, Additional Provisions.
    - 36. 252.271-7001 - In lieu of 52.235-7002 Recovery of Non-recurring Costs on Commercial Sales of Defense Products and Technology and of Royalty Fees for use of DoD Technical Data.