

As used throughout this PO and documents related to performance hereunder, the following terms shall have the meanings set forth below except as otherwise noted:

(a) The terms "Buyer" and "Lockheed Martin" mean Lockheed Martin Corporation acting through its Lockheed Martin Aeronautics Company, Marietta, Georgia.

(b) "Contractor" and "Seller" shall mean the legal entity to whom this Purchase Order is issued.

(c) The term "schedule" means the typed provision of any purchase order to which this PO applies."

(d) The term "Work" means the supplies, clauses and services to be furnished hereunder and includes without limitation raw materials, components, intermediate assemblies, sub-assemblies, services, data, end products, and all work to be performed under this PO.

(e) The term "Purchase Order" and "PO" means this Purchase Order and includes all change notices and change orders to any such orders.

(f) The term "Authorized Procurement Representative" means the person or persons authorized by Lockheed Martin to alter, modify or change the provisions of this PO. Unless otherwise provided, Lockheed Martin's Authorized Procurement Representative shall be designated by name in the purchase orders issued hereunder.

(g) The term "contract price" means the price for the work and services shown on this PO.

(h) The term "Contractor Environment, Safety & Health Handbook" means the ES&H rules and regulations applicable to Contractors which perform work/services or deliver goods on LM Aero-owned or operated facilities. The Contractor ES&H Handbook is incorporated herein and is made a part hereof by this reference.

(i) The term "lower tier subcontract" means any contract including purchase orders issued hereunder.

use, and disclose in any manner and for any purpose shop drawings delivered under this PO.

(e) If this PO requires shop drawings, Contractor shall coordinate all such drawings, and review them for accuracy, completeness, and compliance with the requirements of this PO, and shall indicate Contractor's approval thereon as evidence of such coordination and review. Shop drawings submitted to Lockheed Martin without evidence of Contractor's approval may be returned for resubmission. Lockheed Martin will indicate an approval or disapproval of the shop drawings and if not approved as submitted, shall indicate Lockheed Martin's reasons therefor. Any work done before such approval shall be at Contractor's own risk. Approval by Lockheed Martin shall not relieve Contractor from responsibility for any errors or omissions in such drawings, nor from responsibility for complying with the requirements of this PO, except with respect to variations described and approved in accordance with paragraph (f) below.

(f) If shop drawings show variations from the requirements of this PO, Contractor shall describe such variations in writing, separate from the drawings, at the time of submission. If Lockheed Martin approves any such variation, Lockheed Martin shall issue an appropriate modification to this PO, except that, if the variation is minor or does not involve a change in price or in time of performance, a modification need not be issued.

(g) Contractor shall submit to Lockheed Martin for approval four copies (unless otherwise indicated) of all shop drawings as called for under the various headings of these specifications. Three sets (unless otherwise indicated) of all shop drawings, will be retained by Lockheed Martin and one set will be returned to Contractor.

(h) This Clause shall be included in all lower tier subcontracts at any tier.

Contractor shall lay out its work from Lockheed Martin established base lines and bench marks indicated on the drawings, and shall be responsible for all measurements in connection with the layout. Contractor shall furnish, at its own expense, all stakes, templates, platforms, equipment, tools, materials, and labor required to lay out any part of the work. Contractor shall be responsible for executing the work to the lines and grades that may be established or indicated by Lockheed Martin. Contractor shall also be responsible for maintaining and preserving all stakes and other marks established by Lockheed Martin until authorized to remove them. If such marks are destroyed by Contractor or through its negligence before their removal is authorized, Lockheed Martin may replace them and deduct the expense of the replacement from any amounts due or to become due to Contractor.

(a) When this PO is executed, Contractor shall submit to Lockheed Martin a chart showing the general executive and administrative organization, the personnel to be

employed in connection with the work under this PO, and their respective duties. Contractor shall keep the data furnished current by supplementing it as additional information becomes available.

(b) Work performance under this PO shall be under the full-time resident direction of: (1) Contractor, if Contractor is an individual; (2) one or more principal partners, if Contractor is a partnership; or (3) one or more senior officers, if Contractor is a corporation, association, or similar legal entity. However, if Lockheed Martin approves, Contractor may be represented in the direction of the work by a specific person or persons holding positions other than those identified in this paragraph.

(a) Upon the request of Lockheed Martin, Contractor shall, within five days after the work commences under the PO or another period of time determined by Lockheed Martin, prepare and submit to Lockheed Martin for approval three copies of a practicable schedule showing the order in which Contractor proposes to perform the work, and the dates on which Contractor contemplates starting and completing the several salient features of the work (including acquiring materials, and equipment). The schedule shall be in the form of a progress chart of suitable scale to indicate appropriately the percentage of work scheduled for completion by any given date during the period. If Contractor fails to submit a schedule within the time prescribed, Lockheed Martin may withhold approval of payments for work in process until Contractor submits the required schedule.

(b) Contractor shall enter the actual progress on the chart as directed by Lockheed Martin, and upon doing so shall immediately deliver three copies of the annotated schedule to Lockheed Martin. If, in the opinion of Lockheed Martin, Contractor falls behind the approved schedule, Contractor shall take steps necessary to improve its progress, including those that may be required by Lockheed Martin, without additional cost to Lockheed Martin. In this circumstance, Lockheed Martin may require Contractor to increase the number of shifts, overtime operations, days of work, and/or the amount of construction, and to submit for approval any supplementary schedule or schedules in chart form.

accepted, Contractor shall directly superintend the work or assign and have on the worksite a competent superintendent who is satisfactory to Lockheed Martin and has the authority to act for Contractor.

Contractor shall, without additional expense to Lockheed Martin, be responsible for obtaining any necessary licenses and permits, and for complying with any Federal, state, and municipal laws, codes, and regulations applicable to the performance of the work. Contractor shall also be responsible for all damages to persons or property that occur as a result of Contractor's fault or negligence. Contractor shall also be responsible for all materials delivered and work performed until completion and acceptance of the entire work, except for any completed unit of work which may have been accepted under this PO.

(a) Contractor acknowledges that it has taken steps reasonably necessary to ascertain the nature and location of the work, and that it has investigated and satisfied itself as to the general and local conditions which can affect the work or its cost, including but not limited to: (1) conditions bearing upon transportation, disposal, handling, and storage of materials; (2) the availability of labor, water, electric power, and roads; (3) general weather conditions; (4) the conformation and conditions of the ground; (5) applicable security requirements; and (6) the character of equipment and facilities needed preliminary to and during work performance. Contractor also acknowledges that it has satisfied itself as to the character, quality, and quantity of surface and subsurface materials or obstacles to be encountered insofar as this information is reasonably ascertainable from an inspection of the site, including all exploratory work done by Lockheed Martin, as well as from the drawings and specifications made a part of this PO. Any failure of Contractor to take the actions described and acknowledged in this paragraph shall not relieve Contractor from responsibility for estimating properly the difficulty and cost of successfully performing the work, or for proceeding successfully to perform the work without additional expense to Lockheed Martin.

(b) Lockheed Martin assumes no responsibility for any conclusions or interpretations made by Contractor based on the information made available by Lockheed Martin. Nor does Lockheed Martin assume responsibility for any understanding reached or representation made concerning conditions which can affect the work by any of Lockheed Martin's officers, agents, subcontractors or employees prior to the execution of this PO, unless that representation is expressly stated in this PO. Any such representations or understandings made but not so expressly stated in this PO and for which liability is not expressly assumed by Lockheed Martin herein shall be deemed only for the information of Contractor and Lockheed Martin and shall not render Lockheed Martin responsible or liable therefor.

(2) In the method or manner of performance of the Work,

(3) In the Lockheed Martin furnished facilities, equipment, materials, services, or site; or,

(4) Directing acceleration in the performance of the Work or other

Lockheed Martin and shall perform such inspections as will ensure that the work performed under this PO conforms to contract requirements. Contractor shall maintain complete inspection records and make them available to Lockheed Martin. All work shall be conducted under the general direction of Lockheed Martin and is subject to Lockheed Martin inspection and test at all places and at all reasonable times before acceptance to ensure strict compliance with the terms of this PO.

(c) Lockheed Martin inspections and tests are for the sole benefit of Lockheed Martin and do not:

(1) Relieve Contractor of responsibility for providing adequate quality control measures;

(2) Relieve Contractor of responsibility for damage to or loss of the material for acceptance;

(3) Constitute or imply acceptance; or

(4) Affect the continuing rights of Lockheed Martin after acceptance of the completed work under paragraph (i) below.

(d) The presence or absence of a Lockheed Martin inspector does not relieve Contractor from any requirement of this PO, nor are the inspectors authorized to change any term or condition of the specification without the written authorization of Lockheed Martin's Authorized Procurement Representative.

(e) Contractor shall promptly furnish, without additional charge, all facilities, labor, parts, supplies, and material reasonably needed for performing such safe and convenient inspections as may be required by Lockheed Martin. Lockheed Martin shall perform all inspections and tests in a manner that will not unnecessarily delay the work.

(f) Contractor shall, without additional charge, replace or correct work found by Lockheed Martin not to conform to the requirements of this PO, unless Lockheed Martin consents to accept the work with an appropriate adjustment in contract price. Contractor shall promptly segregate and remove rejected material from the premises.

(g) If Contractor does not promptly replace or correct rejected work, Lockheed Martin may (1) by contract or otherwise, replace or correct the work and charge the cost to Contractor, or (2) terminate for default Contractor's right to proceed.

(h) If, before acceptance of the entire work, Lockheed Martin decides to examine already completed work by removing it or tearing it out, Contractor, on request, shall promptly furnish all necessary facilities, labor, and material. If the work is found to be defective or nonconforming in any material respect due to the fault of Contractor or its lower tier subcontractors, Contractor shall defray the expenses of the examination and of satisfactory reconstruction. However, if the work is found to meet the requirements of this PO, Lockheed Martin shall make an equitable adjustment for the additional services

involved in the examination and

alteration to presently installed materials, and any work corrected or otherwise performed pursuant to this Warranty.

(e) Upon the Contractor's failure to proceed promptly to comply with the terms of this Warranty, Lockheed Martin may perform, or may have performed, such work as Lockheed Martin deems necessary to fulfill such Warranty and the Contractor shall reimburse Lockheed Martin promptly for all costs incurred by Lockheed Martin for such work.

A. TERMINATION FOR CONVENIENCE.

(a) Lockheed Martin may terminate the performance of work under this PO in whole or from time to time in part if Lockheed Martin determines that a termination is in Lockheed Martin's interests. Lockheed Martin shall terminate by delivering to Contractor a Notice of Termination specifying the extent of termination and the effective date.

(b) After receipt of a Notice of Termination, and except as directed by Lockheed Martin's Authorized Procurement Representative, Contractor shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this Clause.

(1) Stop work as specified in the Notice of Termination.

(2) Place no further lower tier subcontracts for materials, services or facilities except as necessary to complete the continued portion of this PO.

(3) Terminate all lower tier subcontracts to the extent they relate to the work terminated.

(4) Assign to Lockheed Martin, as directed by Lockheed Martin's Authorized Procurement Representative, all right, title, and interest of Contractor under the lower tier subcontracts terminated, in which case Lockheed Martin shall have the right to settle or to pay any termination settlement proposal arising out of those terminations.

(5) With approval or ratification to the extent required by Lockheed Martin's Authorized Procurement Representative, settle all outstanding liabilities and termination settlement proposals arising from the termination of lower tier subcontracts; the approval or ratification will be final for the purposes of this Clause.

(6) As directed by Lockheed Martin's Authorized Procurement Representative, transfer title and deliver to Lockheed Martin (i) the fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced or acquired for the work terminated, and (ii) the completed or partially

completed plans, drawings, information, and other property that, if the contract had been completed, would be required to be furnished to Lockheed Martin.

(7) Complete performance of the work not terminated.

(8) Take any action that may be necessary, or that Lockheed Martin may direct, for the protection and preservation of the property related to this PO that is in the possession of Contractor and which Lockheed Martin has or may acquire an interest.

(9) Use its best efforts to sell, as directed or authorized by Lockheed Martin's Authorized Procurement Representative, any property of the types referred to in subparagraph (6) above; provided, however, that Contractor (i) is not required to extend credit to any purchaser and (ii) may acquire the property under the conditions prescribed by, and at the prices approved by, Lockheed Martin. The proceeds of any transfer or disposition will be applied to reduce any payments to be made by Lockheed Martin under this PO, credited to the price or cost of the work, or paid in any other manner directed by Lockheed Martin's Authorized Procurement Representative.

(c) After termination, Contractor shall submit a final termination settlement proposal to Lockheed Martin in the form and with the certification prescribed by Lockheed Martin's Authorized Procurement Representative. Contractor shall submit the proposal promptly, but no later than six (6) months from the effective date of termination. Contractor's failure to submit its claim within the foregoing period shall constitute a waiver thereof unless Lockheed Martin, upon Contractor's written request, grants an extension of the required period for filing of the claim, which request shall not be unreasonably denied.

(d) Subject to paragraph (c) above, Lockheed Martin and Contractor may agree upon the whole or any part of the amount to be paid because of the termination. The amount may include a reasonable allowance for profit on work done prior to the effective date of termination. However, the agreed amount, whether under this paragraph (d) or paragraph (f) below, exclusive of costs shown in paragraph (e) because ribed b or para

(i) The cost of this work;

(ii) The cost of settling and paying termination settlement proposals under terminated subcontracts that are properly chargeable to the terminated portion of this PO if not included in subdivision (i) above; and

(iii) A sum, as profit on (i) above, determined by Lockheed Martin to be fair and reasonable; however, if it appears that Contractor would have sustained a loss on the entire PO had it been completed, Lockheed Martin shall allow no profit under this subdivision (iii) and shall reduce the settlement to reflect the indicated rate of loss.

(2) The reasonable costs of settlement of the work terminated, including:

(i) Accounting, legal, clerical and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data;

(ii) The termination and settlement of subcontracts (excluding the amounts of such settlements); and

(iii) Storage, transportation and other costs incurred, reasonably necessary for the preservation, protection, or disposition of the termination inventory.

(f) Except for normal spoilage, and except to the extent that Lockheed Martin expressly assumed the risk of loss, Lockheed Martin shall exclude from the amounts payable to Contractor under paragraph (e) above, the fair value, as determined by Lockheed Martin, of property that is destroyed, lost, stolen, or damaged so as to become undeliverable to Lockheed Martin or a third party Lockheed Martin.

(g) Generally accepted United States accounting principles shall govern all costs claimed, agreed to, or determined under this Clause.

(h) In arriving at the amount due Contractor under this Clause, there shall be deducted:

(1) All unliquidated advance or other payments to Contractor under the terminated portion of this PO;

(2) Any claim which Lockheed Martin has against Contractor under this PO; and

(3) The agreed price for, or the proceeds of sale of, materials, supplies, or other things acquired by Contractor or sold under the provisions of this Clause and not recovered by or credited to Lockheed Martin.

(b) Contractor's right to proceed shall not be terminated as provided in paragraph (a)(1) above, nor Contractor charged with damages under this Clause, if:

(1) The delay in completing the work arises from unforeseeable causes

than twenty (20) days before Contractor shall have notified Lockheed Martin in writing of the act or failure to act (but this requirement shall not apply as to a claim resulting from a suspension order), and (2) unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of the suspension, delay, or interruption, but not later than the date of final payment under this PO.

(a) Lockheed Martin shall at all times have access to all work being performed hereunder by Contractor or by any of its subcontractors and suppliers, and shall have access to all books, records, correspondence, instructions, plans, specifications, drawings, memoranda, payroll records, vouchers, bills, receipts and all other information of whatsoever kind relating to performance of this PO (or otherwise evidencing Contractor's, subcontractor's and supplier's, costs and expenses, and their payment thereof.) Contractor shall preserve all such records, data and information and shall provide Lockheed Martin with reasonable access thereto for not less than thirty-six (36) months after final payment of the contract price. Contractor shall ensure that its subcontractors and suppliers agree to the above provisions in their POs with Lockheed Martin.

(b) Prior to acceptance of the work hereunder, Contractor agrees to provide Lockheed Martin with a construction and equipment cost breakdown for all items of labor, materials, equipment, supplies, services and all other expenditures of whatever nature which may be chargeable to the work by Contractor for each of its subcontractors. The construction and equipment cost breakdown requirements shall be provided to Lockheed Martin in such a manner as to provide reasonable cost allocations and description for depreciation and insurance purposes.

(a) Except as may otherwise to provided in this PO, the Contractor shall be paid the PO price following completion and final acceptance by Lockheed Martin of all work called for by the Purchase Order, and after Contractor, shall have furnished to Lockheed Martin full and complete waivers or releases of all materialman's and mechanic's liens (of Contractor, its subcontractors and suppliers) in such form as required by Lockheed Martin. Payment will be made upon the submission by Contractor of a final invoice prepared on the same basis as indicated in paragraphs (c) and (d) of this Clause, provided that Lockheed Martin may withhold part or all of such payment on the basis indicated in paragraph (b) of this Clause.

(b) Contractor agrees that if (i) defective work has not been remedied, (ii) any claim is filed or reasonable evidence exists that a claim probably will be filed against Contractor, the premises or the work for unpaid material, labor or services, or (iii) Contractor has failed to make the required payments to the subcontractors for material, labor or services, then in any such event, Lockheed Martin may withhold part or all of the payment or payments hereinabove referred to until such conditions have been remedied or removed or provided for satisfactorily to Lockheed Martin.

(c) Invoices shall be in the format required by Lockheed Martin, be serially numbered, shall be prepared and submitted in triplicate, one of which must be marked "original." Lockheed Martin's Purchase Order number must appear on all copies of invoices.

(d) If this contract provides that monthly billings are to be made to Contractor, the following provisions shall be applicable in lieu of the foregoing paragraph (a):

(1) Payments may be made to Contractor based on a percentage or stage of completion of work and upon submission of properly prepared and certified invoices. Payments may be made as work progresses at the end of each calendar month, or as soon thereafter as practicable, based on actual costs certified and approved by Lockheed Martin. The actual costs of material delivered and work performed on the site since date of last invoice may be included.

(2) In making such monthly payments, there shall be retained 10% of actual and estimated amounts until final completion and acceptance of all work covered by this contract.

(3) All material delivered on the site, or incorporated into the work, and any other work covered by monthly payments made shall thereupon become the sole property of Lockheed Martin, but this provision shall not be construed as relieving Contractor from the sole risk and responsibility for such materials and work upon which payments have been made, or to relieve Contractor from the obligation to restore or replace any damaged work or materials, or as a waiver of the right of Lockheed Martin to require the fulfillment of all of the terms of this PO on schedule.

(4) After completion of all work hereunder by Contractor and acceptance by Lockheed Martin, and after Contractor shall have furnished to Lockheed Martin full and complete waivers of all materials men's and mechanics' liens, Lockheed Martin shall pay to Contractor the full amount of the cost of the work, less all amounts theretofore paid.

(5) If (i) defective work has not been remedied, (ii) any claim is filed or reasonable evidence exists that a claim probably will be filed against the Contractor, the premises or the work for unpaid material, labor or services, or (iii) Contractor has failed to make the required payments to the subcontractors for material, labor or services, then in any such event, Lockheed Martin may withhold part or all of the payment or payments hereinabove referred to until such conditions have been remedied or removed or provided for satisfactorily to Lockheed Martin.

(6) Invoices serially numbered, shall be prepared and submitted in triplicate, one of which must be marked "original." Lockheed Martin's Purchase

(c) Upon Lockheed Martin's request, Contractor shall provide to Lockheed Martin satisfactory evidence in writing that the required insurance has been obtained. The policies evidencing required insurance shall contain an endorsement to the effect that any cancellation or material change adversely affecting Lockheed Martin's interests shall not be effective (1) for such period as the laws of the state in which this PO is to be performed prescribe or (2) until thirty (30) days after the insurer or Contractor gives written notice to Lockheed Martin, whichever period is longer.

(d) Contractor shall insert the substance of this Clause, including this paragraph (d) in lower tier subcontracts under this PO which require work on Lockheed Martin's premises and shall require lower tier subcontractors to provide and maintain the required insurance required in paragraph (a) above.

(a) Contractor shall promptly, and before the conditions are disturbed, give a written notice to Lockheed Martin of (1) subsurface or latent physical conditions at the site which differ materially from those indicated in this PO, or (2) unknown physical conditions at the site, of an unusual nature, which differ materially from those ordinarily encountered and generally recognized as inhering in work of the character provided for in this PO.

(b) Lockheed Martin shall investigate the site conditions promptly after receiving the notice. If the conditions do materially so differ and cause an increase or decrease in Contractor's cost of, or the time required for, performing any part of the work under this PO, whether or not changed as a result of the conditions, an equitable adjustment shall be made under this Clause and the affected purchase order(s) modified in writing accordingly.

(c) No request by Contractor for an equitable adjustment to this PO under this Clause shall be allowed, unless Contractor has given the written notice required; provided, that the time prescribed in (a) above for giving written notice may be extended by Lockheed Martin at Lockheed Martin's election.

(d) No request by Contractor for an equitable adjustment to this PO for differing site conditions shall be allowed if made after final payment under this PO.

(a) No notice, order, direction, determination, requirement, consent, approval or certification under this PO shall be of any effect unless in writing.

(b) Acceptance of this PO, either by acknowledgement or performance of services, constitutes acceptance of the terms and conditions set of this PO. No change, modification or revision to this PO shall be valid unless in writing and signed by an authorized procurement representative of Lockheed Martin.

(c) Performance must be in strict compliance with the schedule and other terms of this PO.

(a) Contractor shall confine all operations (including storage of materials) on Lockheed Martin premises to areas authorized or approved by Lockheed Martin. No unauthorized or unwarranted entry upon, passage through, or storage or disposal of materials shall be made upon Lockheed Martin or Government premises. At Lockheed Martin's option, areas adjacent to the work area may be made available for use by Contractor without cost whenever such use will not interfere with Lockheed Martin or Government use or purposes, and with respect to Government premises, subject to any required approval by the Government.

(b) Temporary buildings (e.g. storage sheds, shops, offices) and utilities may be erected by Contractor only with the advance written approval of Lockheed Martin, and shall be built with labor and materials furnished by Contractor without expense to Lockheed Martin. The temporary buildings and utilities shall remain the property of Contractor and shall be removed by Contractor and the premises restored to original condition at Contractor's expense upon completion of the work. With the written consent of Lockheed Martin, the buildings and utilities may be abandoned and need not be removed.

(c) Contractor shall, under regulations prescribed by Lockheed Martin, use only established roadways, or use temporary roadways constructed by Contractor when and authorized by Lockheed Martin. When materials are transported in prosecuting the

which are made known to or should be known by Contractor. Contractor shall repair any damage to those facilities, including those that are the property of a third party, resulting from failure to comply with the requirements of this PO or failure to exercise reasonable care in performing the work. If Contractor fails or refuses to repair the damage promptly, Lockheed Martin may have the necessary work performed and charge the cost to Contractor.

(a) Contractor shall provide and maintain work environments and procedures which will (1) safeguard, the public, Lockheed Martin and Government personnel, property, materials, supplies and equipment exposed to Contractor operations and activities; (2) avoid interruptions of Lockheed Martin and Government operations and delays in project completion dates; and (3) control costs in the performance of this PO.

(b) For these purposes on contracts for construction, dismantling, demolition, or removal of improvements, Contractor shall:

(1) Provide appropriate safety barricades, signs, and signal lights;

(2) Comply with the safety requirements of Lockheed Martin;

(3) Comply with the standards issued by the Secretary of Labor at 29 CFR Part 1926 and 29 CFR Part 1910;

(4) Ensure that any additional measures Lockheed Martin determines to

(e) Contractor shall insert this Clause, including this paragraph (e), with appropriate changes in the designation of the parties, in subcontracts.

Contractor shall at all times keep the work area, including storage areas, free from accumulations of waste materials. Before completing the work, Contractor shall remove from the work site and premises of Lockheed Martin any rubbish, tools, scaffolding, equipment, and materials that are not the property of Lockheed Martin. Upon completing the work, Contractor shall leave the work area in a clean, neat, and orderly condition satisfactory to Lockheed Martin.

Lockheed Martin may undertake or award other contracts for additional facilities work. Contractor shall fully cooperate with the other contractors and with Lockheed Martin employees and shall carefully adapt scheduling and performing the work under this PO to accommodate the additional work, heeding any direction that may be provided by Lockheed Martin. Contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or by Lockheed Martin's employees.

To the extent that the Supplies to be furnished hereunder are produced to detailed designs not originated and furnished by Lockheed Martin or by a process or method, the use of which is not specifically directed by Lockheed Martin, Lockheed Martin shall have no responsibility to Contractor for patent infringement and Contractor guarantees that the sale or use of such Supplies or the use of such process or method hereunder will not infringe any United States or foreign patents, trademarks or copyrights. Contractor shall defend, indemnify and hold Lockheed Martin and its customers harmless from any loss, cost, damage, expense (including attorney's fees) or liability which may be incurred on account of infringement or alleged infringement of patent rights, trademarks or copyrights with respect to such Supplies, and defend, at its own expense, any action or claim in which such infringement is alleged by third parties, provided Contractor is notified of such actions or claims against Lockheed Martin.

subcontract shall provide that in the event its timely performance is delayed or threatened by delay by any actual or potential labor dispute, the lower tier subcontractor shall immediately notify the next higher tier subcontractor or Contractor, as the case may be, of all relevant information concerning the dispute.

Contractor agrees to comply with all applicable local, state and federal United States laws and executive orders and regulations issued pursuant thereto, and Contractor agrees to defend, indemnify and hold harmless Lockheed Martin from any claim, suit, cost, loss, damage, expense (including attorney's fees) or liability by reason of Contractor's violation hereof.

Contractor shall defend, indemnify, and hold harmless Lockheed Martin, its officers, employees and agents from any claim, suit, loss, cost, damage, expense (including attorney's fees), or liability by reason of property damage or personal injury (including death) to any person, including Contractor's employees, of whatsoever nature or kind arising out of, as a result of, or in connection with such performance occasioned in whole or in part by the actions or omissions of Contractor, its officers, employees, agents or subcontractors at any tier. Contractor shall take all precautions necessary, special or otherwise and shall be responsible for compliance with all Federal, state and local safety laws in the performance of this PO. Without in any way limiting the foregoing undertakings, Contractor and its subcontractors at any tier shall maintain personal liability and property damage insurance in reasonable limits covering the obligations set forth herein and shall maintain proper Workers' Compensation Insurance covering all employees performing hereunder.

(a) **ALLOCATION OF WORK** The specifications are divided into sections in an effort to separate the work by major trades insofar as possible. Any overlapping of trades or failure to include all work of a given trade under the appropriate heading will not relieve Contractor of his responsibility to provide a turnkey job, complete in every respect.

(b) **INTERFERENCES** As the work progresses, Lockheed Martin will cooperate with Contractor in locating and identifying interferences in the work. When interferences are encountered in the work, Contractor shall notify Lockheed Martin for verification and identification. In all cases, Contractor shall proceed with extreme care in the vicinity of utilities and existing installations. If such are damaged by Contractor, Contractor shall repair or replace the damaged installation to the satisfaction of Lockheed Martin with no additional cost to Lockheed Martin.

(c) **CONCURRENCE WITH PLANT OPERATIONS** Contractor will be required to conduct all phases of the work in such a manner as to preclude the possibility of any

interferences with or delay to Lockheed Martin's personnel and/or production work and shall be prepared at all times to readily yield right of way to Lockheed Martin's transportation system. Removal of excavated material and debris, delivery of material, and other traffic to and from the work area will be scheduled so as not to interfere with Lockheed Martin's plant operations.

(d) CONTRACTOR'S VEHICLES Contractor's trucks or vehicles identified with permanent type lettering will be allowed in the plant area. No privately owned vehicles will be admitted until proper certification and evidence of required insurance coverage have been filed with and approved by Lock

(l) USE OF LOCKHEED MARTIN'S EQUIPMENT. Contractor shall under no condition use any equipment, tools, or appliances belonging to Lockheed Martin unless specifically noted otherwise in the specifications.

(m) WASTE MATERIALS. Contractor shall be responsible for all waste materials and debris accumulating as the result of excavation, demolition, etc. and shall dispose of same as directed by Lockheed Martin. Contractor shall also be responsible for all hazardous waste generated in the performance of its work and shall comply with all of Lockheed Martin's procedures as directed by Lockheed Martin.

(n) PROTECTION OF EXISTING UTILITIES. Contractor shall protect all existing utilities against damage which may result in interruption of service during the progress of the work. All utility service lines which are damaged shall be repaired without delay by Contractor and at no additional expense to Lockheed Martin. All repairs necessary to reinstate fire protection systems to their design capabilities shall be made immediately by qualified personnel at Contractor's expense.

(o) CONSTRUCTION WATER. Construction water is available near the job site. Contractor shall furnish all valves, fittings, hoses, etc., as required. All temporary lines, fittings, etc., shall be furnished, installed, connected, and maintained by Contractor in a workmanlike manner satisfactory to Lockheed Martin, and shall be removed by Contractor in like manner at his expense prior to acceptance of the work.

(p) COMPLIANCE WITH HAZARD COMMUNICATION. Contractor shall comply with the Hazard Communication Program in accordance with the department of Labor's Occupational Safety and Health Administration Regulation, 29 CFR 1910.1200, "Hazard Communication."

(q) HAZARD COMMUNICATION PROGRAM. Lockheed Martin maintains a list of hazardous chemicals in use at Lockheed Martin's Facilities. A set of appropriate Material Safety Data Sheets (MSDS) for those chemicals is available at the Facilities Engineering Office and at other strategic locations in the plant. If Contractor's employees will work at Lockheed Martin's facilities, Contractor must review its Purchase Order for information about hazardous chemicals. Contractor shall furnish (1) a list of all chemicals, paints, cleaners, compounds, and other liquid products that will be used in the performance of Work and (2) a copy of the MSDS for those materials that are hazardous according to OSHA (29 CFR 1910.1200). Contractor will provide such a listing in advance of performing any work. Contractor must inform its employees of the hazards they may encounter in their work and must provide appropriate clothing, respirators, and equipment as required to perform their jobs safely. Contractor may use MSDSs from Lockheed Martin's Material Safety Reference Points to help in this matter. Contractor shall have copy of MSDS available at construction office at all times.

(r) SAFETY RULES AND REGULATIONS. Prior to commencement of any work, Contractor shall review with their employees, and subcontractors all applicable safety rules and regulations, including the Buyer's

reference. Contractor shall be required to certify in writing that these safety rules and regulations have been reviewed with all of its employees and subcontractors.

(s) **SPRAY PAINTING AND USE OF CHEMICALS.** All work involving spray painting or the use of any chemical must be approved by Lockheed Martin prior to the commencement of that work. Material Safety Data Sheets on these products shall be submitted by Contractor for the review of hazardous materials and the method of application.

(t) **BANNED MATERIALS.** Contractor warrants and represents that items delivered under this Purchase Order do not contain Polychlorinated Biphenyls (PCBs), 2,4-Dichlorophenoxyacetic acid, 2,4,5-Trichlorophenoxyacetic acid, asbestos, benzene, dioxins, hydrazine, mercury or pentachlorophenol, and agrees to indemnify Lockheed Martin against any loss, cost, damage or liability, including removal costs, by reason of Contractor's violation of this warranty.

(u) **SMOKING POLICY.** Contractor will ensure that all personnel, subcontractors, vendors, etc. comply with Lockheed Martin's smoking policy.

(v) **PROJECT INVITATION SUSPENSION.**

(1) If, in the opinion of Lockheed Martin, Contractor is failing to properly execute contractual obligations hereunder, Lockheed Martin may temporarily cease to invite Contractor to bid on additional work until Contractor has satisfactorily resolved deficiencies regarding contractual obligations. Failure to properly execute contractual obligations includes, but is not limited to, unsatisfactory progress as related to the construction schedule, and delays resulting from Contractor operations or negligence.

(2) In addition to Lockheed Martin's options under Paragraph (1), if, in the opinion of Lockheed Martin, Contractor is mishandling or improperly disposing of hazardous materials or waste products at Lockheed Martin's facility, Lockheed Martin may order Contractor to cease work hereunder until such violations are corrected to the satisfaction of Lockheed Martin. During this work stoppage, Lockheed Martin shall not be obligated to Contractor for payments, and no extensions of time shall be given for the completion of Contractor's work.

(w) **CLOSEOUT DOCUMENTS.** Contractor shall submit to Lockheed Martin, all required closeout documents within thirty (30) calendar days after completion of all work (excluding administrative tasks) associated with this project. Closeout documents include, without limitation, items such as: payroll reports, as-built and original tracing drawings, operation and maintenance data, security employee badges (if expired), final invoice and other required documents.

While Lockheed Martin's engineering and technical personnel may from

time-to-time render assistance to Contractor concerning the Supplies to be furnished by Contractor, Lockheed Martin's Authorized Procurement Representative shall be the only individual authorized to direct and/or redirect the effort or in any way amend any of the terms of this PO.

(a) For the purpose of this Clause, foreign nationals are all persons not citizens of, or immigrant aliens to, the United States. Nothing in this Clause is intended to waive any requirement imposed by any U.S. Government agency with respect to employment of foreign nationals or export control.

(b) Contractor acknowledges that the equipment/technical data used, generated or delivered in the performance of this PO is controlled by the International Traffic in Arms Regulation (ITAR) 22 CFR 121-128, and may require an export license before assigning any foreign national to perform work under this PO or before granting access

Contractor shall provide immediate notice to Lockheed Martin in the event of being suspended, debarred or declared ineligible by any Government agency, or upon receipt of a notice of proposed suspension or debarment from any Government agency, during the performance of this PO.

(a) Lockheed Martin may, by written notice to Contractor, terminate this PO for default if Lockheed Martin has reasonable cause to believe that gratuities or kickbacks were offered or given by Contractor, or any agent or representative of Contractor, to any officer, employee or representative of Lockheed Martin with a view toward securing this PO or securing favorable treatment with respect to awarding, amending or the making of any determinations with respect to the performance of this PO.

(b) Lockheed Martin complies with the Anti-Kickback Act of 1986, 41 U.S.C. 51-58, ("the Act") and related laws and regulations. By acceptance of this PO Contractor agrees:

(1) to comply with the Act;

(2) to report possible violations of the Act to and cooperate with Lockheed Martin and/or the Government in connection with the investigation of any actual or alleged violation of the Act;