

**PROGENY SYSTEMS CORPORATION PURCHASE ORDER TERMS AND CONDITIONS
FOR FIXED PRICE NON-COMMERCIAL ITEMS UNDER A U.S. GOVERNMENT PRIME CONTRACT**

ARTICLE 1

1. Acceptance of Purchase Order

This Purchase Order, including the terms on the face of the Purchase Order, constitutes the entire agreement of the parties with respect to the subject matter on the face of the Purchase Order and, therefore, supersedes all prior offers, negotiations, and agreements regarding the subject matter of this Purchase Order. Seller accepts this Purchase Order by acknowledging the Purchase Order, accepting payment, or commencing performance. Any differing or additional terms proposed by either party are objected to and have no effect unless both parties expressly accept them in writing. Buyer shall accept the price or the delivery schedule or both only when agreed to in writing.

2. Assignments

Neither party shall assign its contract rights or delegate its contract duties without prior written consent from the other party. 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 the assignment reasonably in advance of the due date for payment of any such amounts. Any amounts assigned by Seller will be subject to setoff or recoupment for any present or future claims of Buyer against Seller. Buyer may make settlements or adjustments in price or both without notice to any assignee financing institution.

3. Business Ethics

Seller shall conduct itself with the highest degree of integrity and honesty and comply with all applicable federal and state laws. Seller should have a written code of business ethics with an employee training program and internal control system that promotes compliance with such code of business ethics and conduct.

4. Changes

The Buyer's Procurement Representative may at any time, by written notice, and without notice to sureties or assignees, make changes within the general scope of this Purchase Order in any one or more of the following:

- (1) drawings, designs, or specifications;
- (2) method of shipping or packing;
- (3) place of inspection, acceptance, or point of delivery; and
- (4) delivery schedule.

Seller may request and initiate a deviation for any drawing, design, or specification change by contacting Buyer and requesting a Buyer purchasing deviation request form. Seller shall complete and submit request for approval by Buyer, and shall not execute the requested deviation until written approval from Buyer has been received.

If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of this Purchase Order, Buyer shall make an equitable adjustment in the Purchase Order price or delivery schedule or both, and shall modify this Purchase Order accordingly. Seller must assert its right to an equitable adjustment under this clause within (a) thirty (30) days from the date of receipt of the written change order from Buyer; or (b) provide cost or schedule impact at time of submission of

Seller's deviation request. If the Seller's proposed equitable adjustment includes the cost of property made obsolete or excess by the change, Buyer may prescribe the manner of disposition of the property. Failure to agree to any adjustment will be resolved in accordance with the "Disputes" clause of this Purchase Order. However, nothing contained in this "Changes" clause may excuse Seller from proceeding without delay in the performance of this Purchase Order as changed.

5. Communication with Buyer' Customer

Buyer shall communicate and coordinate with the customer, including the U. S. Government, as it affects the applicable prime contract, this Purchase Order, and any related contract. Seller shall not communicate or coordinate with the customer unless Buyer gives written permission to Seller.

6. Compliance with Laws

This Purchase Order shall be construed in accordance with, and governed by, the laws of the Commonwealth of Virginia without regard to that state's choice of law principles, except that any provision in this Purchase Order that is incorporated by full text, by reference, or is substantially based on the Federal Acquisition Regulation (FAR), Defense Federal Acquisition Regulation Supplement (DFARS), or other agency(s) regulation, including agency regulations that implement and supplement the FAR, shall be construed and interpreted according to the federal common law of Government Contracts as set forth and applied by federal judicial bodies, boards of contracts appeals, and quasi-judicial agencies of the federal Government.

7. Definitions

The following terms have the meanings set forth below:

"Buyer" means Progeny Systems Corporation, acting through its companies or business units as identified on the face of this Purchase Order.

"Purchase Order" means the instrument of contracting, such as "Contract", "PO", "Subcontract", "Agreement" or other such type designation, including these Terms and Conditions, all referenced documents, exhibits and attachments

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

"Buyer's Procurement Representative" means a person authorized by Buyer' cognizant procurement organization to administer and/or execute this Purchase Order.

"Seller" means the party identified on the face of this Purchase Order with whom Buyer is contracting.

"Work" means all required labor, articles, materials, supplies, goods, and services constituting the subject matter of this Purchase Order and includes any items identified as a deliverable under this Purchase Order.

8. Disclosure

Seller shall not disclose information regarding the terms and subject matter of this agreement to any person or persons outside their respective organization or any unauthorized person or persons within such organizations, without Buyer prior written authorization provided, however, that Seller may disclose any information required by law or regulation. The Parties will not disclose any proprietary information under this agreement. In the event it becomes necessary to disclose proprietary information during the term of this Purchase Order, a separate Non-Disclosure Agreement (NDA) or a Proprietary Information Exchange Agreement (PIEA) will be executed prior to the disclosure.

9. Disputes

All disputes under this Purchase Order that are not disposed of by mutual agreement may be decided by recourse to an action at law or in equity. Until final resolution of any dispute hereunder, Seller shall fulfill its obligations under the Purchase Order.

10. Electronic Contracting

The parties agree that if this Purchase Order is transmitted electronically neither party may contest the validity of this Purchase Order, or any acknowledgement thereof, on the basis that this Purchase Order or acknowledgement contains an electronic signature.

11. Export/Import Controls

Seller agrees to comply with all applicable export and re-export control laws and regulations, including the Export Administration Regulations (“EAR”) maintained by the U.S. Department of Commerce, trade and economic sanctions maintained by the Treasury Department’s Office of Foreign Assets Control, and the International Traffic in Arms Regulations (“ITAR”) maintained by the Department of State. Specifically, Seller covenants that Seller shall not, directly or indirectly, sell, export, re-export, transfer, divert, or otherwise dispose of any products, software, or technology (including products derived from or based on such technology) that is subject to this Agreement to any destination, entity, or person prohibited by the laws or regulations of any jurisdiction, including without limitation, the United States, without obtaining prior authorization from the relevant government authorities as required by those laws and regulations.

12. Extras

Work must not be supplied in excess of quantities specified in this Purchase Order. Seller will be liable for handling charges and return shipment costs for any excess quantities.

13. Force Majeure

Except for defaults of Seller’s subcontractors at any tier, neither Buyer nor Seller will be liable for any failure to perform due to any cause beyond their reasonable control and without their fault or negligence. Such causes include, but are not limited to, acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, terrorism, quarantine restrictions, strikes, freight embargoes, and unusually severe weather. In the event that performance of this Purchase Order is hindered, delayed or adversely affected by causes of the type described above (“Force Majeure”), then the party whose performance is so affected shall notify the other party’s authorized representative in writing and, at Buyer’ option, this Purchase Order will be completed with such

adjustments as are reasonably required by the existence of Force Majeure or this Purchase Order may be terminated for convenience.

14. Indemnification

Seller shall indemnify, hold harmless, and defend Buyer and its directors, officers, employees, agents, customers, and affiliates from any and all costs, claims, suits, liabilities, damages, and expenses of any kind whatsoever (including, but not limited to, court costs and reasonable attorneys’ fees), arising out of or in connection with: (a) any breach or alleged breach of any representation, warranty, covenant, or agreement made by Seller pursuant to this Purchase Order; (b) any claim of unfair competition or infringement of any patent, copyright, trademark, tradename, or other intellectual property or contract right arising out of the manufacture, sale, use, or distribution of any Work; (c) any claim of death or bodily injury to persons, or damage to property, caused or alleged to have been caused by the Work; (d) any delay in the delivery of the Work; and (e) any act or omission of willful misconduct, recklessness, or negligence of Seller or any agent or representative of Seller. Buyer may offset any amounts owed to it by Seller in connection with this indemnification provision or otherwise against any amounts it may owe Buyer in connection with this Purchase Order or otherwise. This clause survives expiration or termination of this Agreement.

15. Independent Contractor Relationship

Seller is an independent contractor in all its operations and activities hereunder. Seller’s employees shall perform Work under this Purchase Order.

16. Infringement

Seller warrants that all Work performed or delivered under this Purchase Order, which are not of Seller’s design, will not infringe or otherwise violate the intellectual property rights of any third party in the United States or any foreign country.

Seller may replace or modify infringing items with comparable goods acceptable to Buyer of substantially the same form, fit, and function so as to remove the source of infringement, and Seller’s obligations under this Purchase Order including those contained in this section, “Infringement,” and the “Warranty” section will apply to the replacement and modified items. If the use or sale of any of the above items is enjoined as a result of such claim, suit or action, Seller, at no expense to Buyer, shall obtain for Buyer and its customers the right to use and sell said item.

17. Inspection

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. No such inspection will relieve Seller of its obligations to furnish and warrant all Work in accordance with the requirements of this Purchase Order. Buyer’ final inspection and acceptance must be at destination. Buyer will have ten (10) business days from receipt of Work to inspect and accept/reject the Work. Buyer’ failure to inspect does not relieve Seller of any responsibility to perform according to the terms of the Purchase Order. Seller shall not tender rejected Work without disclosing the corrective action taken.

18. Insurance

Seller shall maintain liability and property damage insurance adequate to cover its obligations under this Purchase Order. Additionally, Seller shall maintain workmen's compensation coverage on all employees engaged in the performance of its obligations under this Purchase Order.

19. Intellectual Property

Seller hereby assigns, conveys and transfers to Buyer, without any further consideration, each and every invention, discovery, improvement, mask work, and patent relating to any Work conceived, developed, or generated in performance of this Purchase Order, and upon request shall execute any required papers and furnish all reasonable assistance to Buyer to vest all right, title and interest in such inventions, discoveries, improvements, maskworks, and patents in Buyer.

All data, copyrights, reports, works of authorship, memoranda and other materials in written form, including machine readable form, prepared or developed in performance of this Purchase Order will be the sole property of Buyer, and will be used by Seller solely in work for Buyer. To the extent that any Works may not, by operation of law, be works made for hire, Seller hereby assigns to Buyer the ownership of copyright in the Works and Buyer will obtain and hold in its own name copyrights, registrations, and similar protection which may be available in the Works. Seller agrees to give Buyer or its designees all assistance reasonably required to perfect such rights.

To the extent that any pre-existing inventions, technology, designs, works of authorship, mask works, technical information, computer software, and other information or materials that are used, included, or contained in the Work and is not owned by Buyer pursuant to this or a previous agreement with Seller, Seller shall notify Buyer prior to executing this Agreement and the parties will in good faith negotiate license or use rights. If Buyer issues a change order or modification during performance of this Agreement that requires the use of any of Seller's preexisting inventions, technology, designs, works of authorship, mask works, technical information, computer software, and other information or materials, the Seller shall notify Buyer before work on the change order or modification begins and the parties will in good faith negotiate license or use rights. If Seller fails to notify Buyer prior to executing the Agreement, the Seller hereby grants to Buyer the necessary rights in any pre-existing inventions, technology, designs, works of authorship, mask works, technical information, computer software, and other information or materials that are used, included, or contained in the Work and not owned by Buyer pursuant to this or a previous agreement with Seller to perform its obligations under Buyer prime contract.

20. Invoicing

Unless otherwise specified in this Purchase Order, terms of payment are , net 30 days from receipt of invoice. The time allowable for payments will begin after the following: (1) Buyer' receipt of Seller's invoice, and (2) Delivery of acceptable supplies or performance of satisfactory services. Seller's invoices shall include the Purchase Order number.

Submit invoices to:

Progeny System Corporation
9500 Innovation Drive
Manassas, VA 20110
Attn: Accounts Payable

21. New Materials

The Work to be delivered hereunder will consist of new materials, as defined in FAR 52.211-5, not used, or reconditioned, remanufactured, or of

such age as to impair its usefulness or safety. Any Work delivered shall be from and only contain materials obtained directly from the Original Equipment Manufacturer (OEM) or an authorized OEM reseller or distributors.

22. Notification of Debarment/Suspension

By acceptance of this Purchase Order, Seller certifies that as of the date of award of this Purchase Order neither the Seller, nor any of its Principals, nor any subcontractors engaged to perform on this agreement is debarred, suspended or proposed for debarment by the federal government. Seller shall notify Buyer if any of their subcontractors, or any of its Principals, are or become debarred, suspended, or proposed for debarment by the federal government provided however that this requirement shall not apply to the purchase of commercial off the shelf items. Seller shall include the requirements of this clause in each subcontract that— (1) Exceeds \$30,000 in value; and (2) Is not a subcontract for commercially available off-the-shelf items.

23. Precedence

Any inconsistencies in this Purchase Order will be resolved in accordance with the following descending order of precedence:

- (1) Face of the Purchase Order and/or Change Order, release document, or schedule, (including any continuation sheets), as applicable, including any special terms and conditions;
- (2) Article 1 "Terms and Conditions" and Article 2 :FAR/DFAR Flowdown Provisions";
- (3) any supplementary document invoked in this Purchase Order; and
- (4) the Statement of Work.

24. Progeny Systems Property

All drawings, tools, jigs, dies, fixtures, materials, and other items supplied or purchased and paid for as a contract line item by Buyer are the property of Buyer ("Buyer's Property"). All such items will be used only in the performance of work under this Purchase Order unless Buyer consents otherwise in writing. Except for reasonable wear and tear, Seller shall promptly notify Buyer of any loss or damage. Material made in accordance with Buyer' specifications and drawings will not be furnished or quoted by Seller to any other person or concern without Buyer' prior written consent. As directed by Buyer, Seller shall clearly mark (if not so marked) Buyer's Property to show its ownership. At Buyer' request, or upon completion of this Purchase Order or both, the Seller shall submit, in an acceptable form, inventory lists of Buyer's Property and shall deliver or make such other disposal as may be directed by Buyer.

25. Purchase Order Direction

Only the Buyer's Procurement Representative has authority on behalf of Buyer to make changes to this Purchase Order. All changes must be identified as such in writing and executed by the parties. Buyer' engineering and technical personnel may from time to time render assistance or give technical advice or discuss or effect an exchange of information with Seller's personnel concerning the Work hereunder. No such action will be deemed to be a change under the "Changes" clause of this Purchase Order and will not be the basis for equitable adjustment. Except as otherwise provided herein, all notices to be furnished by either party must be in writing and sent to the Procurement Representative of the other party.

26. Severability

Each clause, paragraph and subparagraph of this Purchase Order is severable, and if one or more of them are declared invalid, the remaining provisions of this Purchase Order will remain in full force and effect.

27. Shipping Instructions

Seller shall properly package materials hereunder. No charges will be allowed for packing, crating, freight, local cartage, or any other services unless so specified in this Purchase Order. Seller shall at all times comply with Buyer's written shipping instructions. Unless otherwise directed, all items shipped on the same day from and to a single location must be consolidated on one bill of lading or air bill, as appropriate. Seller shall submit all required shipping papers to Buyer prior to final payment. For material purchased F.O.B. origin, the Seller shall not insure and not declare a value except when transportation rates are based on "released value," in which instance the Seller will annotate on the bill of lading the lowest released value provided in applicable tariffs. Purchase Order number(s) must appear on all correspondence, shipping labels, and shipping documents, including all packing sheets, bills of lading, air bills, and invoices.

28. Stop Work

Seller shall stop Work for up to ninety (90) days in accordance with 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 during the period of Work stoppage. Within such period, Buyer may either terminate for convenience in accordance with the provisions of this Purchase Order or continue the Work by written notice to Seller. In the event of a continuation, an equitable adjustment in accordance with the principles of the "Changes" clause will be made to the price, delivery schedule, or other provision(s) affected by the Work stoppage, if applicable, provided that the claim for equitable adjustment is made within thirty (30) days after date of notice to continue.

29. Subcontracts

Seller agrees to obtain Buyer written approval before subcontracting any portion of this Purchase Order, provided however that this limitation shall not apply to the purchase of standard commercial supplies or raw material, if applicable.

30. Taxes

Unless this Purchase Order specifies otherwise, the price of this Purchase Order includes, and Seller is liable for and shall pay, all taxes, impositions, charges and exactions imposed on or measured by this Purchase Order except for applicable sales and use taxes that are separately stated on Seller's invoice. Prices will not include any taxes, impositions, charges or exactions for which Buyer has furnished a valid exemption certificate or other evidence of exemption. To the extent that Buyer is required to do so under applicable United States law or tax regulations, Buyer may deduct from any payments due to Seller pursuant to this Purchase Order such taxes as Buyer is required to withhold from such payments and pay such taxes to the relevant tax authorities; provided, however, that Buyer provides Seller with relevant tax receipts or other suitable documentation evidencing the payment of such taxes promptly after such taxes are paid.

31. Termination for Convenience

Buyer may, by notice in writing, terminate this Purchase Order or work under this Purchase Order for convenience and without cause, in whole or in part, at any time. In the event of partial termination, Seller is not excused from performance of the non-terminated balance of work under the Purchase Order. In the event of such termination, Seller shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. Seller will be reimbursed for actual, reasonable, substantiated and allowable costs, plus a reasonable profit for work performed to date of termination. Seller will not be paid for any Work performed or costs incurred which reasonably could have been avoided. In no event will Buyer be liable for lost or anticipated profits, or unabsorbed indirect costs or overhead, or for any sum in excess of the total Purchase Order price. Seller's termination claim will be submitted within ninety (90) days from the effective date of the termination. Buyer may take immediate possession of all work so performed upon written notice of termination to Seller.

32. Termination for Default

Buyer may, by notice in writing, terminate this Purchase Order in whole or in part at any time for breach of any one or more of its terms, for failure to make progress so as to endanger performance of this Purchase Order, or failure to provide adequate assurance of future performance, or Seller files or has filed against it a petition in bankruptcy; or becomes insolvent or suffers a material adverse change in financial condition. Seller may have ten (10) days (or such longer period as Buyer may authorize in writing) to cure any such failure after receipt of notice from Buyer. Default involving delivery schedule delays, bankruptcy or adverse change in financial condition will not be subject to the cure provision. In the event of partial termination, Seller is not excused from performance of the non-terminated balance of work under the Purchase Order. Following a termination for default of this Purchase Order, Seller will only be compensated for Work actually delivered and accepted. 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 Purchase Order. Buyer and Seller shall agree on the amount of payment for these other deliverables. Seller's obligations, including but not limited to obligations under the warranty, intellectual property disclosure, infringement, and indemnification provisions of this Purchase Order, will survive such termination. Upon the occurrence and during the continuation of a default, Buyer may exercise any and all rights and remedies available to it under applicable law and equity, including without limitation, cancellation of this Purchase Order. If after termination for default under this Purchase Order, it is determined that Seller was not in default, such termination will be deemed a termination for convenience.

33. Timely Performance

Failure to deliver in accordance with the delivery schedule under this Purchase Order, if unexcused, will be considered a material breach of this Purchase Order. No acts of Buyer, including without limitation modifications of this Purchase Order or acceptance of late deliveries, will constitute waiver of this provision. For any non-conforming product, Seller shall make every effort to respond to Buyer's corrective action request in a timely and effective manner, and shall keep Buyer informed of any potential delays in the implementation of the corrective action and delivery of the final product. Buyer also reserves the right to refuse or return at Seller's risk and expense shipments made in excess of Buyer's orders or in advance of

required schedules, or to defer payment on advance deliveries until scheduled delivery dates. 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 there has been prior written consent by Buyer. Seller shall notify Buyer in writing immediately of any actual or potential delay to the performance of this Purchase Order. Such notice will include a proposed revised schedule but such notice and proposal or Buyer' receipt or acceptance thereof will not constitute a waiver to Buyer' rights and remedies hereunder.

34. Waivers, Approvals, and Remedies

Failure by either party to enforce any of the provisions of this Purchase Order or applicable law will not constitute a waiver of the requirements of such provisions or law, or as a waiver of the right of a party thereafter to enforce such provision or law. Buyer' approval of documents will not relieve Seller of its obligation to comply with the requirements of this Purchase Order. The rights and remedies of either party in this Purchase Order are cumulative and in addition to any other rights and remedies provided by law or in equity.

35. Warranty

Seller warrants that all Work delivered under this Purchase Order will: (1) be free from defects in materials and workmanship; (2) conform to the specifications, drawings, samples or other descriptions; (3) be free from defects in design, except to the extent that the supplies are manufactured to Buyer design; (4) be suitable for the intended purpose, if Seller is aware of purpose and Buyer relies on Seller's judgment and selection; and (5) be free from defects in title. This warranty shall begin upon final acceptance and extend for a period of one (1) year. If any non-conforming Work is identified within the warranty period, Seller shall, at Buyer option, promptly repair, replace, or reperform the non-conforming Work. Transportation of replacement Work, return of non-conforming Work, and re-performance of Work shall be at Seller's expense. If repair, or replacement, or reperformance of Work is not timely, Buyer may elect to return, reperform, repair, replace, or reprocur the Work at Seller's expense. If the Work furnished contains any manufacturer's warranties, Seller hereby assigns such warranties to Buyer and Buyer's Customer. The warranties in this provision shall inure to the benefit of Buyer, its customers, and subsequent owners or users of any delivered Work under this Purchase Order.

Article 2
FAR and DFAR FLOWDOWN PROVISIONS

2.1 Compliance with laws unique to Government contracts.

The Subcontractor agrees to comply with 31 U.S.C. 1352 relating to limitations on the use of appropriated funds to influence certain Federal contracts; 18 U.S.C. 431 relating to officials not to benefit; 40 U.S.C. 327, et seq. Contract Work Hours and Safety Standards Act; 41 U.S.C. 51-58, Anti-Kickback Act of 1986; 41 U.S.C. 265 and 10 U.S.C. 2409 relating to whistleblower protections; 49 U.S.C. 40118, Fly American; and 41 U.S.C. 423 relating to procurement integrity.

2.2 Definitions.

The clause at FAR 52.202-1, Definitions, is incorporated herein by reference. In the FAR clauses contained herein, when the terms "CO/PCO," "Government," "agency head," or similar terms are used in the clause that those terms shall mean Progeny Systems Corporation and the terms "Subcontractor" or "Contractor" shall mean Progeny Systems Corporation's Subcontractor or lower tier Subcontractors.

2.3 Other compliances.

The Subcontractor shall comply with all applicable Federal, State and local laws, executive orders, rules and regulations applicable to its performance under this Purchase Order. The FAR and DFARS clauses in effect as of the date of this contract are applicable as listed in Paragraph 2.4 unless otherwise specified in the clause.

2.4 Specific FAR/DFARS Provisions.

(a) The following FAR clauses are incorporated into this Purchase Order:

52.203-15, Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009 (Section 1553 of Pub. L. 111-5), Applies if the subcontract is funded under the Recovery Act;
52.204-2 Security Requirements;
52.204-7, Central Contractor Registration;
52.211-5 Material Requirements;
52.211-15 Defense Priority And Allocation Requirements;
52.215-10 Price Reduction for Defective Cost or Pricing Data;
52.215-11 Price Reduction for Defective Cost or Pricing Data—Modifications;
52.215-21 Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data—Modifications;
52.219-14 Limitations On Subcontracting;
52.222-20 Walsh-Healey Public Contracts Act;
52.222-50, Combating Trafficking in Persons (22 U.S.C. 7104(g));
52.225-13 Restrictions on Certain Foreign Purchases;
52.227-10 Filing Of Patent Applications--Classified Subject Matter (Applies if this contract covers or is likely to cover classified subject matter);

52.232-9 Limitation On Withholding Of Payments;
52.232-17 Interest;
52.244-2 Subcontracts;
52.244-5 Competition In Subcontracting;

52.244-6 Subcontracts for Commercial Items;
52.245-1 Government Property;
52.245-9 Use And Charges;
52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels.

(b) The following FAR clauses are incorporated into this Purchase Order, if the Purchase Order equals or exceeds \$10,000:

52.222-21 Prohibition of Segregated Facilities. (Applicable when this contract is subject to the Equal Opportunity clause included herein);
52.222-22 Previous Contracts and Compliance Reports;
52.222-25 Affirmative Action Compliance;
52.222-26 Equal Opportunity (E.O. 11246);
52.222-40, Notification of Employee Rights Under the National Labor Relations Act (E.O. 13496). Applicable when this contract will be performed wholly or partially in the United States, unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 3 of Executive Order 13496 of January 30, 2009; and
52.225-13 Restrictions on Certain Foreign Purchases.

(c) The following FAR clause is incorporated into this Purchase Order, if the Purchase Order equals or exceeds \$15,000:

52.222-36, Affirmative Action for Workers with Disabilities (29 U.S.C. 793). (Applicable unless exempted by rules, regulations, or orders of the Secretary.

(d) The following FAR clause is incorporated into this Purchase Order, if the Purchase Order equals or exceeds \$25,000:

52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards (Subparagraph (c)(1) does not apply. If Subcontractor meets the thresholds specified in paragraphs (c)(2) and (d) of the clause, Subcontractor shall have an active and current registration in Central Contractor Register (CCR). (www.ccr.gov)).

(e) The following FAR clause is incorporated into this Purchase Order, if the Purchase Order equals or exceeds \$100,000:

52.222-35, Equal Opportunity for Veterans (38 U.S.C. 4212(a)). (Applicable unless exempted by rules, regulations, or orders of the Secretary of Labor; and 52.222-37 Employment Reports On Special Disabled Veterans, Veterans Of The Vietnam Era, and Other Eligible Veterans.

(f) The following FAR clauses are incorporated into this Purchase Order, if the Purchase Order equals or exceeds \$150,000:

52.203-6 Restrictions On Subcontractor Sales To The Government;
52.203-7 Anti-Kickback Procedures(paragraph (c)(1) is not applicable);
52.203-10 Price Or Fee Adjustment For Illegal Or Improper Activity;
52.203-12 Limitation on Payments to Influence Certain Federal Transactions;
52.215-2 Audit and Records—Negotiation;
52.227-1 Authorization And Consent (Dec 2007); and
52.227-2 Notice And Assistance Regarding Patent And Copyright Infringement.

(g) The following FAR clauses are incorporated into this Purchase Order, if the Purchase Order equals or exceeds \$650,000:

52.219-8, Utilization of Small Business Concerns (15 U.S.C. 637(d)(2) and (3)) (Applicable if the subcontract offers further subcontracting opportunities and unless subcontract is with small business concern or is otherwise exempt from the requirement.);
52.230-2 Cost Accounting Standards;
52.230-6 Administration of Cost Accounting Standards.

(h) The following FAR clauses are incorporated into this Purchase Order, if the Purchase Order equals or exceeds \$700,000:

52.215-12 Subcontractor Cost or Pricing Data;
52.215-13 Subcontractor Cost or Pricing Data—Modifications;
52.215-15 Pension Adjustments and Asset Reversions; and
52.215-18 Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other than Pensions.

(i) The following FAR clauses are incorporated into this Purchase Order, if the Purchase Order equals or exceeds \$5,000,000:

52.203-13, Contractor Code of Business Ethics and Conduct (Pub. L. 110-252, Title VI, Chapter 1 (41 U.S.C. 251 note).

52.203-14 Display of Hotline Poster(s) (Not applicable if this contract is for the acquisition of a commercial item or this contract is performed outside the United States.).

(j) The following DFARS clauses are incorporated into this Purchase Order:

252.204-7000 Disclosure Of Information;
252.204-7004 Central Contractor Registration;
252.209-7004 Subcontracting With Firms That Are Owned or Controlled By The Government of a Terrorist Country;
252.211-7003 Item Identification and Valuation (Applies if the subcontractor acquires by subcontract, any item(s) for which unique item identification is required in accordance with paragraph (c)(1) of this clause);
252.223-7004 Drug Free Work Force;
252.225-7001 Buy American Act and Balance of Payments Program;
252.225-7002 Qualifying Country Sources as Subcontractors;
252.225-7007 Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies (Applies to all subcontracts for items covered by the United States Munitions List.);
252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals (10 U.S.C. 2533b);
252.225-7012 Preference for Certain Domestic Commodities;
252.225-7013 Duty-Free Entry;
252.225-7015 Restriction on Acquisition of Hand or Measuring Tools;
252.225-7016 Restriction On Acquisition Of Ball and Roller Bearings (Applies to all subcontracts, except those for (1) Commercial items; or (2) Items that do not contain ball or roller bearings);
252.225-7025 Restriction on Acquisition of Forgings (Applies to all subcontracts for forging items or for other items that contain forging items.);
252.227-7013 Rights in Technical Data--Noncommercial Items;
252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation;
252.227-7015, Technical Data—Commercial Items, if applicable (see 227.7102-4(a));
252.227-7016 Rights in Bid or Proposal Information;
252.227-7019 Validation of Asserted Restrictions--Computer Software;
252.227-7027 Deferred Ordering Of Technical Data Or Computer Software;
252.227-7030 Technical Data--Withholding Of Payment;
252.227-7037 Validation of Restrictive Markings on Technical Data;
252.244-7000 Subcontracts for Commercial Items and Commercial Components (DoD Contracts);
252.246-7001 Warranty Of Data;
252.246-7003 Notification of Potential Safety Issues;
252.247-7023 Transportation of Supplies by Sea;

(k) The following DFARS clause is incorporated into this Purchase Order, if the Purchase Order equals or exceeds \$500,000:

252.226-7001 Utilization of Indian Organizations and Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns.

(l) The following DFARS clause is incorporated into this Purchase Order, if the Purchase Order equals or exceeds \$1,500,000:

252.211-7000 Acquisition Streamlining.

(m) The following DFARS clause is incorporated into this Purchase Order, if the Purchase Order equals or exceeds \$5,000,000:

252.203-7004 Display Of DOD Hotline Poster (Not applicable if this contract is for the acquisition of a commercial item or this contract is performed outside the United States.).

(n) The following clauses are incorporated into this Purchase Order in full text:

52.215-19 NOTIFICATION OF OWNERSHIP CHANGES (OCT 1997)

- (a) The Contractor shall make the following notifications in writing:
- (1) When the Contractor becomes aware that a change in its ownership has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Contractor shall notify the Administrative Contracting Officer (ACO) within 30 days.
 - (2) The Contractor shall also notify the ACO within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership.
- (b) The Contractor shall--
- (1) Maintain current, accurate, and complete inventory records of assets and their costs;
 - (2) Provide the ACO or designated representative ready access to the records upon request;
 - (3) Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor's ownership changes; and
 - (4) Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership change.

The Contractor shall include the substance of this clause in all subcontracts under this contract that meet the applicability requirement of FAR 15.408(k).
(End of clause)

52.234-1 INDUSTRIAL RESOURCES DEVELOPED UNDER DEFENSE PRODUCTION ACT TITLE III (DEC 1994)

- (a) Definitions.
"Title III industrial resource" means materials, services, processes, or manufacturing equipment (including the processes, technologies, and ancillary services for the use of such equipment) established or

maintained under the authority of Title III, Defense Production Act (50 U.S.C. App. 2091-2093).

"Title III project contractor" means a contractor that has received assistance for the development or manufacture of an industrial resource under 50 U.S.C. App. 2091-2093, Defense Production Act.

(b) The Contractor shall refer any request from a Title III project contractor for testing and qualification of a Title III industrial resource to the Contracting Officer.

(c) Upon the direction of the Contracting Officer, the Contractor shall test Title III industrial resources for qualification. The Contractor shall provide the test results to the Defense Production Act Office, Title III Program, located at Wright Patterson Air Force Base, Ohio 45433-7739.

(d) When the Contracting Officer modifies the contract to direct testing pursuant to this clause, the Government will provide the Title III industrial resource to be tested and will make an equitable adjustment in the contract for the costs of testing and qualification of the Title III industrial resource.

(e) The Contractor agrees to insert the substance of this clause, including paragraph (e), in every subcontract issued in performance of this contract.
(End of clause)

252.247-7024 Notification of Transportation of Supplies by Sea (MAR 2000)

(a) The Contractor has indicated by the response to the solicitation provision, Representation of Extent of Transportation by Sea, that it did not anticipate transporting by sea any supplies. If, however, after the award of this contract, the Contractor learns that supplies, as defined in the Transportation of Supplies by Sea clause of this contract, will be transported by sea, the Contractor --

(1) Shall notify the Contracting Officer of that fact; and
(2) Hereby agrees to comply with all the terms and conditions of the Transportation of Supplies by Sea clause of this contract.

(b) The Contractor shall include this clause; including this paragraph (b), revised as necessary to reflect the relationship of the contracting parties--

- (1) In all subcontracts under this contract, if this contract is a construction contract; or
 - (2) If this contract is not a construction contract, in all subcontracts under this contract that are for--
 - (i) Noncommercial items; or
 - (ii) Commercial items that--
 - (A) The Contractor is reselling or distributing to the Government without adding value (generally, the Contractor does not add value to items that it subcontracts for f.o.b. destination shipment);
 - (B) Are shipped in direct support of U.S. military contingency operations, exercises, or forces deployed in humanitarian or peacekeeping operations; or
 - (C) Are commissary or exchange cargoes transported outside of the Defense Transportation System in accordance with 10 U.S.C. 2643.
- (End of clause)

2.5 Flowdown Requirements

The Subcontractor shall include the terms of this Article II, including this paragraph (2.5), in all subcontracts awarded under this Purchase Order.