

R-E-S-T-R-I-C-T-E-D
SECURITY INFORMATION

DEPARTMENT OF THE NAVY
BUREAU OF AERONAUTICS
WASHINGTON 25, D. C.

CONTRACT NOs 53-093-b

FIXED PRICE CONTRACT

CONTRACTOR GRUMMAN AIRCRAFT ENGINEERING CORPORATION
PLACE OF INSPECTION Contractor's plant, Bethpage, Long Island, New York
APPROPRIATION 1731502.10 Aircraft and Facilities, Navy, 1953; Account 46800, Bureau Control No. 00000, Program 400A
AMOUNT \$1.00
AUTHORITY P. D. EN11-730-53 (Aircraft Division)

THIS is a negotiated contract, entered into this 4 day of September, 1952, by the UNITED STATES OF AMERICA, hereinafter called the Government, represented by the Contracting Officer executing this contract, and GRUMMAN AIRCRAFT ENGINEERING CORPORATION, whose address is Bethpage, Long Island, New York, hereinafter called the Contractor. The Contractor hereby agrees to furnish, and the Government hereby agrees to pay for the articles and services hereinafter described upon the following terms and conditions:

SECTION A - ARTICLES TO BE FURNISHED AND PRICE

The services and materials to be furnished and the price thereof are as follows:

<u>Item</u>	<u>Total Price</u>
1 Such projects as may from time to time, prior to 30 June 1953, be mutually agreed upon in writing between the Contractor and the Government.	\$ 1.00
2 Reports on the projects, Item 1.	(Included in price of Item 1)
Total Price	\$ 1.00

R-E-S-T-R-I-C-T-E-D
SECURITY INFORMATION

-1-

ORIGINAL EXECUTED DOCUMENT

Declassified
8/30/2010
Michael W. Byrne
Michael W. Byrne
DOW Declassification Program

REPRODUCED AT THE NATIONAL ARCHIVES
COLLECTION REF ID: A64082

**RESTRICTED
SECURITY INFORMATION**

P30-1 SECTION - B DELIVERIES

Contract Noos 53-093-b

Item 1 - The Contractor shall promptly and diligently carry out such projects as may from time to time, prior to 30 June 1953 be agreed upon in writing between the Contractor and the Government.

1-1 Item 2 - The Contractor shall deliver required reports, in triplicate, all transportation charges prepaid, to Department of the Navy, Bureau of Aeronautics, Aircraft Division, Washington 25, D. C., Attention: AG-22.

P31-1 SECTION C - DESCRIPTION OF ITEMS AND SPECIFICATIONS

Item 1 - The Contractor shall perform all the services with technically qualified personnel and furnish all the materials (except such materials and equipment as may be furnished by the Government hereinafter referred to as Government-Furnished Equipment) necessary to carry out any projects agreed upon in writing between the Contractor and the Government. The Contractor may make such modifications in the Government-Furnished Equipment as are necessary to perform the projects in a proper manner.

1-3 Each agreement entered into hereunder between the Contractor and the Government shall contain the following information:

- 31-1 (1) The number of this contract and the date.
- (2) A brief description (by name, model, serial number and other pertinent information) of the Government-Furnished Equipment covered by the particular agreement.
- (3) A reasonably detailed description of the project which the Contractor is authorized to conduct with the Government-Furnished Equipment covered by the particular agreement.
- (4) The reports to be furnished and the time of delivery thereof.
- 1-3 (5) Date prescribed for return of the Government-Furnished Equipment covered by the particular agreement.

**RESTRICTED
SECURITY INFORMATION**

- P31-1 (6) The classification, if any, of the particular project,
(7) Any other pertinent information of agreements between the parties.

Item 2 - The Contractor shall prepare, quarterly, reports covering flights and status of aircraft in accordance with the agreements entered into pursuant to Item 1 of this Section 3 entitled "Description of Items and Specifications".

3-3

P32-1 SECTION D - GOVERNMENT-FURNISHED EQUIPMENT

(a) For use in the performance of contracts between the Contractor and the Government, the Government will deliver to the Contractor, at the Contractor's plant, Bethpage, Long Island, New York, the following Government-owned airplanes which shall, during the life of this contract, be accounted for under this contract whether such airplanes are used in the performance of work under this contract or other contracts between the Contractor and the Government.

1-1	Quantity	Airplane Model	Bureau Number
	1	F9F-6	126670
	1	F9F-6	126672
	1	F9F-6	127219

P32-2

The Government will furnish to the Contractor such drawings and specifications for said airplane as may be required by the Contractor in the performance of contracts with the Bureau of Aeronautics. Title to any and all such Government-Furnished Equipment shall remain in the Government.

(b) The Contractor will provide adequate storage for the airplanes and their engines and propellers while in the custody of the Contractor, and all such property will be returned to the Government, upon completion of the project applicable to the particular airplane, at the Contractor's plant, Bethpage, Long Island, New York, in the same condition as when received by the Contractor, ordinary

1-4

Contract NDas 53-093-b

P32-2 wear, tear and usage, and the necessary effects of the work done hereunder or under other contracts between the Contractor and the Government accepted. Such airplanes and any installation will be inspected at the time of redelivery by the cognizant Naval Inspector at the redelivery point to determine whether or not the provisions of this paragraph have been complied with.

(c) The Contractor represents that the prices stated herein do not include the cost of insurance covering the risk of loss of or damage to Government-Furnished Equipment or any provision for a reserve to cover such risk.

2-4 (d) The Government, having requested that the Contractor not
P32-2 carry, or incur the expense of, any insurance against any form of loss of or damage to Government-Furnished Equipment, and no allowance having been made in the contract price for the inclusion of any such insurance premium expense, assumes subject to this Section hereof entitled "Risk of Loss or Damage" all risk of loss of or damage to such property, including expenses incidental to such loss or damage, other than any loss or damage (1) for which the Contractor is otherwise responsible under the express terms of this contract, or (2) which results from wilful misconduct or lack of good faith on the part of any of the Contractor's directors or officers, or on the part of any of its managers, superintendents, or other equivalent representatives, who has supervision or direction of (i) all or substantially all of the Contractor's business, or (ii) all or
3-4 substantially all of the Contractor's operations at any one plant
P32-2 or separate location in which this contract is being performed, or (iii) a separate and complete major industrial operation in con-
4-4 nection with the performance of this contract.

P33-1 SECTION E - INSPECTION AND ACCEPTANCE

The progress of any work contemplated by Item 1 may be inspected by representatives of the Department of the Navy at all reasonable times. The reports, Item 2, will be inspected upon receipt thereof and accepted after approval by the Bureau of
1-1 Aeronautics.

P34-1

SECTION F - GUARANTEES

Contract No. 53-093-b

The Contractor guarantees that the projects to be conducted hereunder and the reports to be furnished in connection therewith will conform to the best commercial practice and to any and all specifications applicable thereto.

1-1

P35-1

SECTION G - PAYMENTS

The Contractor shall be paid upon the submission of a properly certified invoice or voucher the price stipulated herein for services rendered and accepted in conducting projects hereunder and reporting thereon; provided, however, that nothing herein contained shall be deemed to prevent the Contractor from being paid under any other contracts between the Government and the Contractor for performing work (including the use of aircraft furnished hereunder in the performance of work under such contracts) thereunder.

1-1

P36-1

SECTION H - RISK OF LOSS OR DAMAGE

(a) Contractor's Risk - The Contractor assumes liability for any injury or damage to its own employees, agents or property or to third persons or property of third persons arising out of the performance by the Contractor of the work specified under Section 1 of this contract.

(b) Government Risk - Any and all flight tests of any airplane to be furnished hereunder, whether conducted by the Contractor or by the Government, shall be conducted at the risk of the Government insofar as loss or destruction of, or damage to, said Government-owned airplanes, instruments, accessories, and other Government-owned equipment installed therein is concerned; provided, that the pilots of the

1-3

Contract No. 53-093-b

P36-1 Contractor conducting such flight tests for it shall be approved in writing by the Chief of the Bureau of Aeronautics and/or the Chief of Naval Operations. In the event that the Government desires to flight test any airplane as modified prior to the completion of the Contractor's tests, such test or tests shall be made by a Government pilot at the cost, expense, and risk of the Government. Notwithstanding any other provision of this contract, if any flight test is conducted by a pilot not approved in writing as heretofore provided, or if the damage to Government-owned property is due to faulty installation, material, design or construction, which is the result of wilful misconduct or lack of good faith on the part of any of the Contractor's officers or of any of its other representatives, having supervision or direction of the operation of all or substantially all of the Contractor's business or all or substantially all of any plant used by the Contractor for the performance of this contract, the Contractor shall be responsible to the Government for all damage to Government-owned property.

2-3

P36-1

(c) When aircraft furnished to the Contractor as Government Furnished Equipment hereunder is used in performing work under other contracts between the Contractor and the Government the liability of the Contractor, for any injury or damage to its own employees, agents or property, or to third persons or property of third persons arising out of the performance by the Contractor of the work under such contracts, shall be determined in accordance with the applicable provisions of such contracts and the Contractor shall be reimbursed for all costs or claims in accordance with the applicable provisions of such contracts.

P36-1

3-3

P37-1

SECTION I - SUBCONTRACTS

The services provided herein shall not be performed by any other party whether pursuant to subcontract or otherwise without the prior written consent of the Contracting Officer.

1-1

REPRODUCED AT THE NATIONAL ARCHIVES

P38-1 SECTION J - CHANGES

(a) The Contracting Officer may at any time, by a written change order, and without notice to the sureties, make changes in any one or more of the following: (i) drawings, designs, or specifications; (ii) quantities or items of any spare parts list; (iii) method of shipment or packing; (iv) place of inspection, delivery or acceptance; (v) time or rate of delivery, to the extent specified in this contract; and (vi) increases or decreases in the amount of services or articles to be furnished hereunder, to the extent specified in this contract.

1-2
P38-1 (b) If any such change affects the cost of, or the time required for, performance of this contract, an equitable adjustment shall be made in the contract price or delivery schedule, or both.

(c) Any claim by the Contractor for adjustment under this Section must be asserted within ninety (90) days from the date the change is ordered, or within such further time as the Contracting Officer may allow. Failure to agree to the adjustment shall be a dispute concerning a question of fact within the meaning of the Section of this contract entitled "Disputes".
P39-1 Nothing provided in this Section, however, shall excuse the
2-2 Contractor from proceeding with the contract as changed.

P39-1 SECTION K - TERMINATION

This contract may be terminated by the Government, in whole or in part by written notice whenever the Contracting Officer shall determine that termination is for the best interest of the Government. In the event
1-1 of termination, the Government shall not be obligated to make any payment to the Contractor.

P40-1 SECTION L - TRANSFER OR ASSIGNMENT PROHIBITED

Neither this contract, nor any interest herein nor claim arising hereunder shall be transferred by the Contractor to any
1-1 party or parties.

P22-16 SECTION M - EIGHT-HOUR LAW OF 1912

This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912 as amended (40 U.S. Code 324-326) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S. Code 35-45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912 as amended, and to all other provisions and exceptions of said Law:

1-2
P22-16

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Contractor or any subcontractor contracting for any part of the said work, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every such laborer and mechanic employed by the Contractor or any subcontractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed upon the Contractor for each such laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause; and all penalties thus imposed shall be withheld for the use and benefit of the Government.

2-2

P22-17 SECTION N - WALSH-HEALEY PUBLIC CONTRACTS ACT

If this contract is for the manufacture or furnishing of materials, supplies, articles, or equipment in an amount which exceeds or may exceed \$10,000 and is otherwise subject to the Walsh-Healey Public Contracts Act as amended (41 U.S. Code 35-45), there are hereby incorporated by reference all representations and stipulations required by said Act and regulations issued thereunder by the Secretary of Labor, such representations and stipulations being subject to all applicable rulings and interpretations of the Secretary of Labor which are now or may hereafter be in effect.

1-1

P22-18

SECTION O -- NONDISCRIMINATION IN EMPLOYMENT

Contract No. 53-093-b

In connection with the performance of work under this contract, the Contractor agrees not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin; and further agrees to insert the foregoing provision in all subcontracts hereunder except subcontracts for standard commercial supplies or for raw materials.

1-1

P22-22

SECTION P -- EMPLOYMENT OF ALIENS

No aliens employed by the Contractor shall be permitted to have access to the plans or specifications, or the work under construction, or to participate in the contract trials, without the written consent beforehand of the Secretary or his duly authorized representative.

1-1

P22-15

SECTION Q -- CONVICT LABOR

In connection with the performance of work under this contract, the Contractor agrees not to employ any person undergoing sentence of imprisonment at hard labor.

1-1

P21-1

SECTION R -- BUY AMERICAN ACT

The Contractor agrees that there will be delivered under this contract only such unmanufactured articles, materials, and supplies (which term "articles, materials, and supplies" is hereinafter referred to in this clause as "supplies") as have been mined or produced in the United States, and only such manufactured supplies as have been manufactured in the United States substantially all from supplies mined, produced, or manufactured, as the case may be, in the United States. Pursuant to the Buy American Act (41 U.S. Code 101 a-d), the foregoing provision shall not apply (i) with respect to supplies excepted by the Secretary from the application of that Act, (ii) with respect to supplies for use outside the United States, (iii) with respect to the supplies to be delivered under this contract which are of a class or kind determined by the Sec-

1-2

Contract Noas 53-093-b

P41-1 Secretary or his duly authorized representative not to be mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality, or (iv) with respect to such supplies, from which the supplies to be delivered under this contract are manufactured, as are of a class or kind determined by the Secretary or his duly authorized representative not to be mined, produced, or manufactured, as the case may be in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality, provided that this exception (iv) shall not permit delivery of supplies manufactured outside the United States if such supplies are manufactured in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality.

2-2

P22-36 SECTION 8 - EXAMINATION OF RECORDS

(a) The Contractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment under this contract, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Contractor involving transactions related to this contract.

(b) The Contractor further agrees to include in all his subcontracts hereunder a provision to the effect that the subcontractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment under this contract with the Government, have access to and the right to examine any directly pertinent books, documents, papers, and records of such subcontractor involving transactions related to the subcontract. The term 'subcontract' as used in this clause excludes (i) purchase orders not exceeding \$1,000 and (ii) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

1-2 P22-36

2-2

P22-12

SECTION T - DISPUTES

Contract Nos. 53-093-b

1-2

P22-12

2-2

Except as otherwise provided in this contract, any dispute concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Contracting Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. Within 30 days from the date of receipt of such copy, the Contractor may appeal by mailing or otherwise furnishing to the Contracting Officer a written appeal addressed to the Secretary, and the decision of the Secretary or his duly authorized representative for the hearing of such appeals shall be final and conclusive; Provided, That if no such appeal is taken, the decision of the Contracting Officer shall be final and conclusive. In connection with any appeal proceeding under this clause, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the contract and in accordance with the Contracting Officer's decision.

P22-32

SECTION U - RENEGOTIATION

(a) This contract is subject to the Renegotiation Act of 1951 (P. L. 82nd Congress) and shall be deemed to contain all the provisions required by Section 104 of said Act.

1-1

(b) The Contractor (which term as used in this clause means the party contracting to furnish the materials or perform the work required by this contract) agrees to insert the provisions of this clause, including this paragraph (b), in all subcontracts as required by Section 104 of the Renegotiation Act of 1951; provided, that the Contractor shall not be required to insert the provisions of this clause in any subcontract of a class or type described in Section 106(a) of the Renegotiation Act of 1951.

P22-37.1

SECTION V - MILITARY SECURITY REQUIREMENTS

Contract NOs 53-093-b

(a) The provisions of the following paragraphs of this clause shall apply only if and to the extent that this contract involves access to security information or other matter classified "Top Secret," "Secret," "Confidential," or "Restricted."

(b) Except as otherwise provided in this clause, the Contractor agrees to provide and maintain a system of security controls within its or his own organization in accordance with (1) the requirements of the Department of Defense Industrial Security Manual for Safeguarding Classified Matter, dated 13 December 1951, as in effect on date of this contract, which Manual is hereby incorporated by reference and made a part of this contract, and (ii) any amendments to said Manual required by the demands of national security as determined by the Government and made after the date of this contract, notice of which has been furnished to the Contractor.

1-6

P22-37

.1

(c) The Government agrees that it shall indicate, when necessary, by a security information classification ("Top Secret," "Secret," "Confidential," or "Restricted"), the degree of importance to the national defense of information pertaining to supplies, services, and other matter to be furnished by the Contractor to the Government or the Government to the Contractor, and the Government shall give written notice of such classification to the Contractor and of any subsequent changes thereof. The Contractor is authorized to rely on any letter or other written instrument signed by the Contracting Officer changing the classification of security information or other matter.

2-6

P22-37

.1

(d) Designated representatives of the Government responsible for inspection pertaining to industrial plant security shall have the right to inspect at reasonable intervals the procedures, methods, and facilities utilized by the Contractor in complying with the requirements of the terms and conditions of this clause. Should the Government, through its authorized representative, determine that the Contractor's security methods, procedures, or facilities do not conform to such requirements, it shall submit a written report to the Contractor advising him of the proper actions to be taken in order to effect compliance with such requirements.

3-6

(e) In the event the Contracting Officer notifies the Contractor of (i) a change in the classification of this contract or any part thereof from a non-classified status to a classified status or from a lower classification to a higher classification or (ii) a change in military security requirements which results in more restrictive area controls than previously required, the

P22-37. Contractor shall exert every reasonable effort compatible with its established policies to continue the performance of work under the contract in compliance with such change in classification or in military security requirements. If, despite such reasonable efforts, the Contractor determines that the continuation of work under this contract is not practicable because of such change in classification or in military security requirements it shall so notify the Contracting Officer in writing.

4-6 (f) After receiving such written notification, the Contracting Officer shall explore the circumstances surrounding the proposed change in classification or in military security requirements and shall endeavor to work out a mutually satisfactory method whereby the Contractor can continue performance of the work under this contract.

P22-37. (g) If, upon the expiration of fifteen (15) days after receipt of the notification by the Contracting Officer of the Contractor's stated inability to proceed, (i) the application to this contract of such change in classification or in military security requirements has not been withdrawn and (ii) a mutually satisfactory method for continuing performance of work under this contract has not been agreed upon, the Contractor may request the Contracting Officer to terminate the contract in whole or in part. Thereupon, the Contracting Officer shall terminate the contract in whole or in part, as may be appropriate, and such termination shall be deemed a termination under the provisions of the clause of this contract entitled "Termination for the Convenience of the Government."

5-6 (h) Any disagreement concerning a question of fact arising under this clause shall be considered a dispute within the meaning of the clause of P22-37 this contract entitled "Disputes".

6-6 (i) The Contractor agrees to insert in all subcontracts hereunder which involve access to classified security information or other matter, provisions which shall conform substantially to the language of this clause, including this paragraph (i), but excluding paragraphs (e), (f), (g) and (h) of this clause.

P22-30

SECTION W - PROTECTION OF CLASSIFIED PRINTED MATTER Contract Nos 53-093-b

(a) Production and furnishing of classified printed matter, if any, called for by this contract are subject to and governed by the provisions of the current edition of the Department's "Security Measures for the Protection of Classified Printed Matter During Production" (NAVEXOS P-29), which provisions are hereby incorporated in this contract by reference.

(b) The Contractor shall include a provision identical to this clause, including this paragraph (b), in all subcontracts which call for the production and furnishing of classified printed matter under this contract.

1-1
P22-33

SECTION X - GRATUITIES

(a) The Government may, by written notice to the Contractor, terminate the right of the Contractor to proceed under this contract if it is found, after notice and hearing, by the Secretary or his duly authorized representative, that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by the Contractor, or any agent or representative of the Contractor, to any officer or employee of the Government with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing, of such contract; provided, that the existence of the facts upon which the Secretary or his duly authorized representative makes such findings shall be in issue and may be reviewed in any competent court.

1-2

P22-33

(b) In the event this contract is terminated as provided in paragraph (a) hereof, the Government shall be entitled (i) to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the contract by the Contractor, and (ii) as a penalty in addition to any other damages to which it may be entitled by law, to exemplary damages in an amount (as determined by the Secretary or his duly authorized representative) which shall be not less than three nor more than ten times the costs incurred by the Contractor in providing any such gratuities to any such officer or employee.

(c) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

2-2

P22-19

SECTION Y - OFFICIALS NOT TO BENEFIT

Contract No. 53-093-b

No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

1-1

P22-20

SECTION Z - COVENANT AGAINST CONTINGENT FEES

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul this contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

1-1

P22-13

SECTION AA - NOTICE AND ASSISTANCE REGARDING PATENT INFRINGEMENT

(a) The Contractor agrees to report to the Contracting Officer, promptly and in reasonable written detail, each claim of patent infringement based on the performance of this contract and asserted against it, or against any of its subcontractors if it has notice thereof.

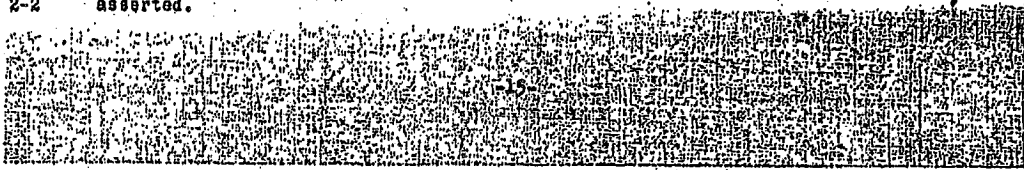
(b) In the event of litigation against the Government on account of any claim of infringement arising out of the performance of this contract or out of the use of any supplies furnished or construction work performed hereunder, the Contractor agrees that it will furnish to the Government, upon request, all evidence and information in its possession pertaining to the defense of such litigation. Such information shall be furnished at the expense of the Government except in those cases in which the

1-2

P22-13

Contractor has agreed to indemnify the Government against the claim being asserted.

2-2



P20-4

SECTION BB - AUTHORIZATION AND CONSENT

Contract Noas 53-093-b

The Government hereby gives its authorization and consent (without prejudice to its rights of indemnification, if such rights are provided for in this contract) for all use and manufacture, in the performance of this contract or any part hereof or any amendment hereto or any subcontract hereunder (including any lower-tier subcontract), of any patented invention (i) embodied in the structure or composition of any article the delivery of which is accepted by Government under this contract, or (ii) utilized in the machinery, tools, or methods the use of which necessarily results from compliance by the Contractor or the using subcontractor with (a) specifications or written provisions now or hereafter forming a part of this contract, or (b) specific written instructions given by the Contracting Officer directing the manner of performance.

1-1

P21-1

SECTION CC - COPYRIGHT

(a) The Contractor agrees to and does hereby grant to the Government, and to its officers, agents and employees acting within the scope of their official duties, (i) a royalty-free, nonexclusive and irrevocable license to reproduce, translate, publish, use, and dispose of, and to authorize others so to do, all copyrightable material first produced or composed and delivered to the Government under this contract by the Contractor, its employees or any individual or concern specifically employed or assigned to originate and prepare such material; and (ii) a license as aforesaid under any and all copyrighted or copyrightable work not first produced or composed by the Contractor in the performance of this contract but which is incorporated in the material furnished under the contract, provided that such license shall be only to the extent the Contractor now has, or prior to completion or final settlement of the contract may acquire, the right to grant such license without becoming liable to pay compensation to others solely because of such grant.

1-2

P21-1

(b) The Contractor agrees that it will exert all reasonable effort to advise the Contracting Officer, at the time of delivering any copyrightable or copyrighted work furnished under this contract, of any adversely held copyrighted or copyrightable material incorporated in any such work and of any invasion of the right of privacy therein contained.

(c) The Contractor agrees to report to the Contracting Officer, promptly and in reasonable written detail, any notice or claim of copyright infringement received by the Contractor with respect to any material delivered under this contract.

2-2

P42-1

SECTION DD- DEFINITIONS

Contract No. 53-093-b

As used throughout this contract, the following terms shall have the meanings set forth below:

(a) The term "Secretary" means the Secretary, the Under Secretary, or the Department; and the term "his duly authorized representative" means any person or persons or board (other than the Contracting Officer) authorized to act for the Secretary.

1-2 (b) The term "Contracting Officer" means the person executing this contract on behalf of the Government, and any other officer or civilian employee who is a properly designated Contracting Officer, and the term P42-1 includes, except as otherwise provided in this contract, the authorized representative of a Contracting Officer acting within the limits of his authority.

(c) Except as otherwise provided in this contract, the term "subcontracts" includes purchase orders under this contract.

2-2 (d) The term "Department" means the Department of the Navy.

REPRODUCED AT THE NATIONAL ARCHIVES

SECTION: ~~III~~ - PATENT RIGHTS

Contract NOaa 53-093-b

(a) As used in this clause, the following terms shall have the meanings set forth below:

(i) The term "Subject Invention" means any invention, improvement or discovery (whether or not patentable) conceived or first actually reduced to practice either (A) in the performance of the experimental, developmental or research work called for under this contract, or (B) in the performance of any experimental, developmental or research work relating to the subject matter of this contract which was done upon the understanding that a contract would be awarded.

(ii) The term "Technical Personnel" means any person employed by or working under contract with the Contractor (other than a subcontractor whose responsibilities with respect to rights accruing to the Government in inventions arising under subcontracts are set forth in paragraphs (f), (g) and (h) of this clause), provided that such person, by reason of the nature of his duties in connection with the performance of this contract, would reasonably be expected to make inventions.

(iii) The terms "subcontract" and "subcontractor" mean any subcontract or subcontractor of the Contractor, and any lower-tier subcontract or subcontractor under this contract.

(b) The Contractor agrees to and does hereby grant to the Government an irrevocable, nonexclusive, non-transferable and royalty-free license to practice, and cause to be practiced for the Government throughout the world, each Subject Invention in the manufacture, use, and disposition according to law, of any article or material, and in the use of any method; provided, however, that with respect to (i) any Subject Invention made by other than Technical Personnel, (ii) any Subject Invention conceived prior to any performance of this contract as set forth in paragraph (a) above but first actually reduced to practice in the course of any such performance, and (iii) the practice of any Subject Invention in foreign countries; the said license and other rights hereinafter provided shall be to the extent of the Contractor's right to grant the same without incurring any obligation to pay royalties or other compensation to others solely on account of said grant. Nothing contained in this paragraph shall be deemed to grant any license under any invention other than a Subject Invention. Any license granted herein shall not convey any right to the Government to manufacture, have manufactured, or use any Subject Invention for the purpose of providing services or supplies to the general public in competition with the Contractor or the Contractor's commercial licensees in the licensed fields.

(c) The Contractor agrees as follows: (i) to make written disclosure promptly to the Contracting Officer of each Subject Invention which reasonably appears to be patentable and to exert all reasonable effort to make such disclosure not later than six months after first publication, public use or sale; (ii) to specify, at the time of such disclosure, whether or not said Subject Invention has been or will be claimed in a United States patent application and unless it thereafter notifies the Government to the contrary not later than eight months after first publication, public use or sale, to file or cause to be filed in due form and time a United States patent application covering each Subject Invention so specified; (iii) to the extent of the Contractor's right to do so, to deliver to the Contracting Officer such duly executed instruments (prepared by the Contractor) of assignment, application papers and rightful oaths as are necessary to vest in the Government the sole and exclusive ownership of, and the right to apply for and prosecute patent applications covering, each Subject Invention which the Contractor does not specify as aforesaid (or having so specified, thereafter notifies the Government to the contrary), subject, however, to the reservation of a nonexclusive and royalty-free license thereunder to the Contractor (and to its associated and affiliated companies, if any, within the corporate structure of which the Contractor is a part), which license shall be assignable to the successor of that part of the Contractor's business to which it pertains; (iv) to furnish promptly to the Contracting Officer on request an irrevocable power of attorney to inspect and make copies of each United States patent application as filed by or on behalf of the Contractor covering any Subject Invention; (v) in the event the Contractor elects not to continue prosecution of any such United States patent application filed by the Contractor, to so notify the Contracting Officer not less than sixty days before the expiration of the response period, and upon written request, to deliver to the Contracting Officer, to the extent of the Contractor's right to do so, a duly executed assignment to the Government of the entire rights to such patent application and any Subject Invention claimed therein subject to a reservation as specified in (ii) above; and (vi) to deliver to the Contracting Officer duly executed instruments fully confirmatory of any license rights herein agreed to be granted to the Government. If, to the best of the Contractor's knowledge and belief, no inventions have been conceived or first actually reduced to practice under this contract, the Contractor shall so certify to the Contracting Officer.

(d) The Contractor agrees to and does hereby grant to the Government, to the full extent of the Contractor's right to do so without payment of compensation to others, the right to reproduce, use and disclose for governmental purposes (including the right to give to foreign governments for their use as the national interest of the United States may demand) all or any part of the reports, drawings, blueprints, data and technical information specified to be delivered by the Contractor to the Government under this contract, provided, however, that nothing contained in this paragraph shall be deemed, directly or by implication, to grant any license under any patent now or hereafter issued or to grant any right to reproduce anything else called for by this contract.

(e) Until the Contractor has delivered to the Government the disclosures required by paragraph (c) (1) of this clause and the information as to any subcontractor required by paragraph (g) of this clause, there shall be withheld from final payment under this contract ten percent (10%) of the contract price, or \$5,000, whichever is smaller; provided however, that the withholding of the aforesaid amount, or subsequent payment thereof to the Contractor, shall not be construed as a waiver of any rights accruing to the Government under this contract and provided further, that any amount so withheld under this paragraph shall not be in addition to any amounts withheld under other provisions of this contract. This paragraph shall not be construed as requiring the Contractor to withhold any amounts from a subcontractor to enforce compliance with the patent provisions of a subcontract.

(f) The Contractor agrees to exert all reasonable effort to negotiate for the inclusion in any subcontract hereunder of \$3,000 or more, in which payment is to be made for experimental, developmental or research work, of this patent rights clause or one approved by the Contracting Officer. In the event of the refusal by a subcontractor to accept such patent rights clause, the Contractor shall obtain the written authorization of the Contracting Officer (which authorization may be granted with respect to a particular subcontract) to proceed with the subcontract, and shall cooperate with the Government in the negotiation with such subcontractor of a mutually acceptable patent rights clause; provided however, that the Contractor shall in any event require the subcontractor to grant to the Government patent rights under Subject Inventions of no less scope and on no less favorable terms than those which the Contractor has under such subcontracts, except that in no event shall the subcontractor be required to grant to the Government patent rights in excess of those herein agreed to be granted to the Government by the Contractor.

(g) The Contractor agrees to notify the Contracting Officer in writing of any subcontract containing a patent rights clause, to furnish to the Contracting Officer a copy of such clause, and promptly to notify the Contracting Officer when such subcontract is completed. It is understood that with respect to such subcontract clause, the Government is a third party beneficiary; and the Contractor hereby assigns to the Government all the rights that the Contractor would have to enforce the obligations of the subcontractor with respect to Subject Inventions. The Contractor shall not be obligated to enforce the agreements of any subcontractor hereunder relating to a patent rights clause in any subcontract.

(h) When the Contractor shows that it has been delayed in the performance of this contract by reason of its inability to obtain, under terms that include a suitable patent rights clause, a qualified subcontractor for any particular part, item or function of this contract for which the Contractor itself does not have available facilities or qualified personnel, the Contractor's delivery dates shall be extended for a period of time equal to the duration of such delay; and, upon request of the Contractor, the Contracting Officer shall determine to what extent, if any, an additional extension of the delivery dates, and an increase in contract price based upon additional costs incurred, are proper under the circumstances; and the contract shall be modified accordingly. If the Contractor, after exerting all reasonable effort, is unable to obtain a qualified subcontractor as set forth above, the Contractor may submit to the Contracting Officer a written request for waiver or modification of the requirement that a suitable patent rights clause be included in the subcontract. Such request shall specifically state that the Contractor has used all reasonable efforts to obtain such qualified subcontractor and shall cite the waiver or termination provision hereinafter set forth. If, within thirty-five (35) days after the date of receipt of such request, the requirement shall be deemed to have been waived by the Government. If within such period the Contractor shall receive a written denial of such request by the Contracting Officer, this contract shall thereupon automatically terminate and the rights and obligations of the parties shall be governed by the provisions of the clause of this contract entitled "Termination for the Convenience of the Government" just as if a notice of termination had been delivered to the Contractor specifying that the contract was terminated for the convenience of the Government.

REPRODUCED FROM THE NATIONAL ARCHIVES

NAVAER-1024 (Rev. 8-48)

CONTRACT NO.
NOs 53-093-b

This negotiated contract is made pursuant to the provisions of Section 2(c) of the Armed Services Procurement Act of 1947 (Public Law 413, 80th Congress), and any required determination and findings with respect thereto has been made.

IN WITNESS WHEREOF the parties hereto have executed this contract as of the day and year first above written.

UNITED STATES OF AMERICA

By *James S. Tassia*
Contracting Officer
Bureau of Aeronautics
Department of the Navy
JAMES S. TASSIA

WITNESSES:

- (1) _____
- (2) _____

NOTE: In the case of a corporation, witnesses are not required but certificate below must be completed.

GRUMMAN AIRCRAFT ENGINEERING CORPORATION
(Contractor)
By *L. A. Swirbul*
L. A. SWIRBUL
TITLE President
Bethpage
Long Island, New York
(Business address of Contractor)

CERTIFICATE

I, J. A. STAMM, Secretary of the corporation named as Contractor in the foregoing contract, certify that I am the that L. A. SWIRBUL who signed said contract on behalf of the Contractor was then President of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

J. A. Stamm
(Signature of person certifying)

(CORPORATE SEAL)

REPRODUCED FROM THE NATIONAL ARCHIVES

BILLING INSTRUCTIONS FOR CONTRACT NOs 53-093-b

Strict compliance with the Billing Instructions will facilitate early payment of invoices. No payment can be made, however, until the contract is returned, properly executed, to the Bureau of Aeronautics, Department of the Navy, Washington 25, D. C.

1. **GENERAL:** In case of conflict between the provisions of the Billing Instructions and the express terms of the contract, the express terms of the contract shall control.

2. **PREPARATION OF INVOICES:**

(a) **CONCERNING THE GENERAL FORM OF INVOICES:** Invoices are to be prepared by contractors on their regular billing forms. There is required to be stamped, printed or typewritten upon the original copy of each invoice the following certificate:

I certify that the above bill is correct and just and that payment therefor has not been received.

Contractor
By _____
Authorized Representative

Such certificate must actually appear on the original copy of the invoice—an accompanying, annexed or separate certificate will not be acceptable—and must be signed in the name and on behalf of the Contractor by an authorized representative.

(b) **CONCERNING ASSIGNMENTS:** Notwithstanding an assignment of money claims pursuant to authority contained in the contract, the Contractor—not the assignee—is required to prepare invoices. Where such an assignment has been made, the original copy of the invoice must refer to the assignment and must show that payment of the invoice is to be made directly to the assignee, as follows:

Pursuant to the instrument of assignment, dated _____, make payment of this invoice to (name and address of assignee).

Contractor
By _____
Title

3. **MARKING OF SHIPPING CONTAINERS:**

The following information must plainly appear on all shipping boxes or containers:

- (1) Name of Contractor
- (2) Name and Address of Consignee
- (3) Contract Number. Preceded by NOs Symbol
- (4) Contents (only if contract is unclassified):
 - (a) Item or Items
 - (b) Identification or Model Designation of Item or Items
 - (c) Quantity of Each Item or Item

4. **SUBMISSION OF INVOICES AND PLACE OF PAYMENT:**

Invoices, showing the contract number, will be submitted by you, in quadruplicate, to the Department of the Navy, Bureau of Aeronautics, Contracts Division, Washington 25, D. C., Attention: CF-67, for certification as to receipt and acceptance and transmittal to the U. S. Navy Regional Accounts Office, Third Naval District, Brooklyn, New York, where public vouchers will be prepared and payment will be made. A separate invoice shall be prepared and submitted, in quadruplicate, for each activity designated to receive the supplies and services.

REPRODUCTION OF THIS DOCUMENT IS PROHIBITED WITHOUT THE EXPRESS WRITTEN PERMISSION OF THE NATIONAL ARCHIVES

BILLING INSTRUCTIONS FOR CONTRACT Nos. 53-093-b

In order to prevent disclosure of classified information, invoices submitted under this contract shall be so prepared that the supplies or services covered thereon can be identified only by reference to the contract. For example, the invoice may state "Contract N _____, Item 2, 100 @ \$1.00 - \$100.00". The security classification shown on the contract shall not appear on the invoices.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

DEPARTMENT OF DEFENSE
SECURITY REQUIREMENTS CHECK LIST

1. DATE
24 July 1952

2. SHEET OF SHEETS

3. U.S. CONTRACT OR TASK NO.
WDS 53-093-b

4. HIGHEST CLASSIFICATION INVOLVED IN THIS CONTRACT
RESTRICTED

5. CONTRACTOR'S NAME
**Grumman Aircraft Eng. Corp.
Bethpage, Long Island, N.Y.**

6. CONTRACTOR'S ASSIGNED NO.

7. THIS SHEET PERTAINS TO
 AN END ITEM A COMPONENT

8. CLASSIFICATION OF END ITEM OR COMPONENT (see checked in preceding item)
RESTRICTED

9. NO. OF APPENDAGES INCLUDED

10. THIS SHEET REFERS TO: (Enter nomenclature, drawing reference or other adequate identification of End Item or component covered)
Flight Reports

BLOCK	CLASSIFICATION OF	TOP SECRET	SECRET	CONFIDENTIAL	RESTRICTED	UNCLASSIFIED
1	CONTRACT OR TASK DOCUMENTS					
2	MODEL DESIGNATION, NOMENCLATURE, OR IDENTIFYING DESCRIPTION OF ITEM OR TASK				X	
3	SPECIFICATIONS				X	
4	DESIGN INFORMATION (Engineering notes, computations, etc.)				X	
5	DRAWINGS OR SKETCHES				X	
	A - COMPLETE SET					
	B - OF GAGES				X	
	C - OF TOOLING					X
	D - OF TEST EQUIPMENT					X
	E - OF INSTALLATION OR ASSEMBLY				X	X
	F - SKETCHES DESCRIBING PRINCIPLE INVOLVED					X
	G - OTHER					X
6	PHOTOGRAPHS					
	A - INTERNAL, CUTAWAY OR EXPLODED VIEWS					
	B - EXTERNAL VIEWS				X	
7	PRODUCTION AND PROCUREMENT INFORMATION					X
	A - NUMBERS TO BE PRODUCED					
	B - RATES OF DELIVERY				X	
	C - ITEMS ON HAND				X	
	D - OVERALL DOLLAR OR UNIT COST				X	
	E - RAW MATERIAL USAGES				X	
	F - LIST OF SUB-CONTRACTORS				X	
	G - SPECIALIZED MANUFACTURING TECHNIQUES				X	
	H - OTHER				X	
8	REPORTS					
	A - STATUS AND PROGRESS					
	B - TECHNICAL				X	
	C - OTHER				X	
9	MANUALS, HANDBOOKS, ETC.					
	A - MAINTENANCE					
	B - OPERATIONAL				X	
10	PERFORMANCE INFORMATION AND TESTS					
	A - TESTS				X	
	B - TEST DATA				X	
	C - MILITARY PERFORMANCE OR OPERATIONAL CHARACTERISTICS				X	X
	D - OTHER				X	

DD FORM 254 FEB 52 PREVIOUS EDITIONS OF THIS FORM ARE OBSOLETE.

BLOCK	CLASSIFICATION OF	TOP SECRET	SECRET	CONFIDENTIAL	RESTRICTED	UNCLASSIFIED
11	WRITTEN OR ORAL REFERENCE TO					
	A - CONTRACTOR					X
	B - NOMENCLATURE					X
	C - U.S. CONTRACT NUMBER					X
	D - U.S. CONTRACT NO. AND CONTRACTOR					X
	E - NOMENCLATURE AND CONTRACTOR					X
	F - U.S. CONTRACT NO. AND NOMENCLATURE					X
	G - U.S. CONTRACT NO., NOMENCLATURE AND CONTRACTOR					X
12	MANUFACTURING AIDS					
	A - MODELS					X
	B - MOCK-UPS					X
13	NAME PLATES, UNATTACHED OR ON ORDER					
14						
15						
16						
17	CLASSIFICATION OF ASSEMBLY WORK IS DETAILED ON APPENDAGES AS FOLLOWS					
	ITEM OR COMPONENT (Describe)				SEE CHECK LIST SHEET NUMBER	SEE APPENDAGE NUMBER
	A					
	B					
	C					
	D					
	E					
	F					

REPRODUCED AT THE NATIONAL ARCHIVES
FROM THE ORIGINAL SOURCE AS SHOWN
UNLESS OTHERWISE NOTED

Contract No. 53-093-b

/s/ E. C. Henn for
W. M. Vincent
Commander, USN
BuAer Security Officer
24 July 1952

ABOVE SECURITY REQUIREMENTS APPROVED BY DEPARTMENT OF DEFENSE REPRESENTATIVE		
NAME AND TITLE (Typed)	SIGNATURE	
ICDR R. G. Burnett	/s/ Robert G. Burnett	
BUREAU OF OFFICE Bureau of Aeronautics	DEPARTMENT Department of the Navy	CODE Aer-AC-22

INSTRUCTIONS

1. The "Security Requirements Check Lists" will be used by the CONTRACTING activities of the Department of Defense to indicate the security classifications assigned to the various documents, materials, tasks, subcontracts, and sub-components of classified prime and sub-contracts. It requires the contracting activities to assign the necessary security classifications to the various phases of a classified contract or task and to indicate such security classifications in the appropriate column.

2. OVERCLASSIFICATION SHALL BE AVOIDED. The prime purpose of the Check List is to reduce security clearance requirements and at the same time preserve a proper safeguarding of classified matter. The Check List is further intended to eliminate the concept that a security classification assigned to a classified contract or task applies equally to all phases of such contract or task. This analysis of security classification by components informs the contractor, sub-contractor and Department of Defense activities of the specific information which is classified and the degree of security protection required. The lowest security classification consistent with adequate security protection of the information concerned should be assigned.

The notation on this Check List that any item is unclassified does not constitute authorization for the release of that item, or information concerning it, to the public.

3. The Check List, consisting of a single sheet or multiple check list sheets with appendages, will be prepared by the Department of Defense activity responsible for the award or approval of each prime and sub-contract involving classified security information. The responsibility for the preparation of the Check List will be that of the Contracting Officer. The physical preparation thereof will be made by the engineering staff thoroughly familiar with the security requirements of the contract or task.

4. Contractors will consult with local Department of Defense representatives of the contracting activity concerning any questions of the detailed security requirements to include the security classifications of subcontracts, if required.

5. Amendments or changes in the original contract, or task or subcontract, shall be classified in accordance with their contents and not necessarily in accordance with the security classifications contained in the original Check List(s).

6. Check List sheets of components will be reproduced by the contractor and furnished sub-contractors who are processing components.

7. The use of asterisks is recommended when amplification of a block heading or line is desired. Additional spaces on the form are provided for security classifications of items which cannot be properly assigned to standard items listed on the check lists.

8. Should the descriptions (Item 10 of heading or in Block 17) be determined to be classified by Reference to Block 3, or any other item, the Check List sheet will be classified accordingly.

9. PROCEDURES FOR PREPARATION OF CHECK LIST SHEETS.

a. HEADING: Item 1 - Self-explanatory.

Item 2 - Insert the total number of Check List sheets used, upon the completion of the classification analysis. (Example: If Check List sheets were prepared covering End Items and 6 components, fill in on last Check List sheet "Sheet 2 of 2 Sheets.")

Items 3, 4 and 5 - Self-explanatory.

Item 6 - The contractor will insert the identifying number he may assign to the contract, if any.

Item 7 - Check the applicable one of the two blocks provided.

Item 8 - Self-explanatory.

Item 9 - Write in the number of appendages to this CHECK LIST SHEET. (The appendages will be identified by using Check List sheet number-hyphen-letter.)

Item 10 - Identify Item or Component, to which this particular Check List sheet pertains. If by reference to Block 3, the description of the item or component is found to be classified, then this particular Check List Sheet should also be classified.

b. BLOCKS: (Body of Form) Block 1 - Refers to documents only; "Task" is a Department of Navy designation of an element or phase of a contract.

Block 2 - Refers to a description of the particular End Item or Component under analysis.

Block 3 - Refers to specifications (or technical requirements) prepared by Contractor or furnished by the Contracting Officer.

Block 4 - Self-explanatory.

Block 5 (NOTE: This also includes sketches which the Navy refers to as "plans".) - A complete set of drawings will be classified at least to the highest security category of an individual drawing within the set. When an individual drawing is withdrawn from the set, the security classification shall be that upon the drawing, PROVIDED the legend or other markings on the drawing do not reveal information of any description that carries a higher classification. A complete set of drawings may be classified higher than the highest security category of an individual drawing within the set. Sketches will be classified, according to corresponding drawings in the complete set.

Block 6 - Self-explanatory.

Block 7 - If desired, a line may be drawn across the heading of this block in order to give a single over-all classification of all individual items in this block. If this is done, it will also be necessary to designate the security classification of the individual lettered sub-lines.

8. This line should be filled out to assist the contractor in resolving any doubt as to classification. It will normally be "UNCLASSIFIED".

9. Refers to processes and manufacturing techniques employed by the Contractor. If the Contractor considers certain phases of manufacturing technique contain "proprietary processes", he should recommend an appropriate classification, usually CONFIDENTIAL.

Block 8 - Self-explanatory.

Block 9 - Includes manuals, handbooks, catalogues, etc., prepared by the contractor.

Block 10 - Self-explanatory.

Block 11 - The items A, C and D should normally be "UNCLASSIFIED".

Blocks 12 and 13 - Self-explanatory.

Blocks 14, 15 and 16 - To be used when additional space is required.

Block 17 - This block is intended to be a bibliography of all Check List sheets and appendages pertaining to the contract involved.

Block 18 - Self-explanatory.

APPENDAGE TO SECURITY REQUIREMENTS CHECK LIST, DD FORM 244-1. This supplement form of the Check List is of utmost importance. The proper assignment of security classification "WITHOUT TALLY COUNT" and "WITH TALLY COUNT" will materially assist the Contractor (and sub-contractors) in determining the number of personnel working on assembly lines, who will require clearance (see Note 1 of Appendix form). Unless a careful analysis of the security features of assembly work is made, the possibility of overclassification of production schedules will be caused by unnecessary clearance requirements. STUDY THE NOTES. ADD OTHER EXPLANATORY NOTES WHEN DEMED APPROPRIATE. TO THOROUGHLY ACQUAINT THE CONTRACTOR WITH THE SECURITY CLASSIFICATION REQUIREMENTS.

NAVAER-2350 (Rev. 9-49)

RESTRICTED
SECURITY INFORMATION

DEPARTMENT OF THE NAVY
BUREAU OF AERONAUTICS
WASHINGTON 25, D. C.

Buller

COST-PLUS-FIXED-FEE-CONTRACT

NEGOTIATED
CONTRACT NO.

NOs 53-1021-a

PLACE OF
INSPECTION

See Section D of the Schedule

APPROPRIATION

1731502.1G Aircraft and Facilities, Navy, 1953, Account 46871,
Bureau Control No. 70090, Program 470A, Object Classification 099

ESTIMATED COST

\$263,899.36

FIXED FEE

18,008.66

AUTHORITY

P.D. EN11-6751-53 (Ships Installations Division)

THIS CONTRACT, entered into as of *20 June*, 1953, by and between the
UNITED STATES OF AMERICA, hereinafter called the Government, represented by the Contracting Officer
executing this contract, and

GRUMMAN AIRCRAFT ENGINEERING CORPORATION,

whose address is Bethpage, Long Island, New York,

hereinafter called the Contractor,

WITNESSETH, that the parties hereto do mutually agree as follows:

The rights and obligations of the parties to this contract shall be subject to and governed by the Schedule, the General Provisions and the current edition of "General Specifications for the Inspection of Material," issued by the Department of the Navy, which is hereby incorporated in this contract. No charges shall be allowed or paid except in accordance with the express terms of this contract or a written amendment hereof. To the extent of any inconsistency between any provisions of specifications which are incorporated in this contract by reference (including "General Specifications for the Inspection of Material") and the General Provisions or the Schedule, the General Provisions and the Schedule, shall control. To the extent of any inconsistency between the General Provisions and the Schedule, the Schedule shall control. The contractor shall furnish and deliver all the articles and perform all the services as set forth in the attached Schedule, for the Allowable Cost thereof plus a Fixed Fee as stated therein, subject to the terms and conditions set forth in the Schedule, and the General Provisions number 1 through 30, including 19 and 21(a). The General Provisions are on NAVAER 2305 (Rev 1-52).

Unclassified when classified
pages are removed.

THIS CONTRACT IS CERTIFIED UNDER
DWS REGULATION 1, DO-A-1

RESTRICTED
SECURITY INFORMATION

ORIGINAL EXECUTED DOCUMENT

DECLASSIFIED

Authority *AND 947020*
NARA Date *3/10/09*

R E S T R I C T E D
SECURITY INFORMATION

Contract NOas 53-1021-c

SCHEDULE

SECTION A - ARTICLES TO BE FURNISHED AND ESTIMATED COST AND FEE

<u>Item</u>	<u>Articles or Services</u>	<u>Total Estimated Cost</u>
1	Conduct design studies covering: (a) Landing techniques and modifications in F9F-6 aircraft required for arrested landings on a flexible deck. (b) Flexible deck handling methods and equipment. (c) Methods of launching the F9F-6 undercarriageless, flexdeck aircraft from C-11, C-7, H4B and H8 catapults. Airplane and catapult modifications required for each method.	
2	Modify two (2) Government (Navy)-owned F9F-6 aircraft for undercarriageless flexdeck landing operations, including the instrumentation of one (1) of such aircraft.	
3	Construct three (3) sets of deck handling equipment for handling, servicing and re-arming Model F6F-6 aircraft in "gear up" flexible deck operations.	
4	Conduct static tests on one (1) modified Government (Navy)-owned F9F-6 aircraft.	
	Total Estimated Cost	- \$263,899.36
	Fixed Fee	- 18,008.66
	Total Estimated Cost Plus Fixed Fee	- \$281,908.02

SECTION B - DELIVERIES

Item 1 - The work called for under Item 1 shall be completed and the analyses, design data and drawings to be furnished shall be delivered during the month of January 1954, to the cognizant Naval Inspector at the Contractor's plant, Bethpage, Long Island, New York, for transmittal in the quantities and to the destinations indicated below:

R E S T R I C T E D
SECURITY INFORMATION

- 1 -

DECLASSIFIED

Authority AND 947020

DATE NARA Date 5/1/01/99

RESTRICTED
SECURITY INFORMATION

Contract NOas 53-1021-a

Five (5) copies to the Department of the Navy, Bureau of Aeronautics, Ships Installations Division, Washington 25, D. C., Attention: SI-4.

Three (3) copies to the Naval Air Test Center, Patuxent River, Maryland.

Three (3) copies to the Naval Air Material Center, Philadelphia, Pennsylvania.

Two (2) copies to the Bureau of Aeronautics Liaison Officer, Air Research Development Command, Box 1395, Baltimore 3, Maryland.

Two (2) copies to the Bureau of Aeronautics General Representative, Eastern District.

Two (2) copies to U. S. Naval Attache' and Naval Attache' for Air, London, England, C/O OPNAV (OP-32), Mail and Dispatch Section, Navy Department, Washington 25, D. C.

Items 2, 3 and 4 - The work called for under Items 2, 3 and 4 shall be completed during the month of April 1954, and shall be accomplished at the Contractor's plant, Bethpage, Long Island, New York. Within thirty (30) days after completion of the static tests the reports thereof shall be delivered to the cognizant Naval Inspector at the Contractor's plant, Bethpage, Long Island, New York, for transmittal in the same quantities and to the same destinations as specified for the analyses, design data and drawings.

SECTION C - DESCRIPTION OF ITEMS AND SPECIFICATIONS

Item 1 - The Contractor shall conduct hereunder design studies covering:

(a) Landing techniques and modifications required in F9F-6 aircraft for gear-up arrested landings in a shore-based Mark A Type 1 flexible deck equipped with Mk5 Morest type arresting gear or Mk7 Morest type arresting gear. The modifications determined for flexible deck landing, handling and launching shall not prevent normal take-offs, landings and catapult launchings on the aircraft's normal landing gear.

Flexdeck Landing

The aircraft shall be designed for "power-on" landings on a Type A Mark 1 flexible landing deck described in Bureau of Aeronautics General

RESTRICTED
SECURITY INFORMATION

DECLASSIFIED

Authority AIND947020
1671 WARA Date 9/1/09

RESTRICTED
SECURITY INFORMATION

Contract NOas 53-1021-c

Specification XSI-20, dated 23 December 1952.

Design landing gross weight shall be normal arrested landing design weight of the aircraft.

The design arresting engaging speed at the design landing gross weight, in the configuration proposed by the Contractor, shall be $1.3 V_S$.

The design sinking speed at deck engagement and subsequent deck contact attitudes shall be determined by taking into account the effect of the force-time characteristics of the arresting gear on the aircraft when hook engagements are made at all practicable landing speeds up to the specified maximum engaging speed in combination with either (1) an aircraft flight path angle of zero degrees and wire height 6" to 1'0" above deck or (2) an aircraft landing flight path slope of 1:15 and an arresting wire height of 6" to 1'0" above deck level.

The arresting hook shall be so located or so designed to prevent double wire engagement when landings are made on a flexible deck equipped with four (4) arresting wires located approximately 30'0" apart and 5" above the static deck level.

Suitable protective devices or structural reinforcements shall be provided on the airplanes to prevent damage to airplane structures, flaps, etc., due to arresting wire contact when landings are made on a flexible deck equipped with four (4) arresting wires positioned as described in paragraph above.

The arresting hook and its shock absorber and holdown devices shall be so designed that the hook does not damage the flexible deck and the hook is not damaged by contact with the wire under all landing conditions.

Although modifications of the airplane shall be kept to a minimum, a false fuselage bottom structure may be incorporated to:

- (1) Increase flap clearance with the deck.
- (2) Increase height of hook attachment point above deck to prevent double wire hook engagements.
- (3) To improve attitude of airplane on the flexible deck for take-off when airplane does not engage an arresting wire, break a hook or break a wire.
- (4) To increase or decrease the "vetted" area of the fuselage underbody vs. deck penetration to achieve acceptable vertical load vs. deck penetration characteristics.

The flexdeck landing design study shall include:

- (1) Analyses of landing approach and deck landing for the various flexible deck landing conditions.
- (2) Analyses of take-off conditions where the airplane

RESTRICTED
SECURITY INFORMATION

DECLASSIFIED
Authority AND 94702
NARA Date 3/10/79

RESTRICTED
SECURITY INFORMATION

Contract NOas 53-1021-c

- fails to engage an arresting wire, breaks the hook or breaks the wire.
- (3) Data on aircraft loads, deck penetrations and clearances for the various flexible deck landing conditions.
 - (4) Arrangement drawings showing structural modifications, arresting hook installation changes, changes in flaps, flap retraction devices, etc.
 - (5) The use of dynamic models as necessary to resolve problems not amenable to calculation.

The Contractor shall maintain active liaison with the contractor developing the Mark A Type I flexible deck to obtain detailed data required in the design of the aircraft for flexdeck landings.

(b) Methods and equipment for transporting and servicing the F9F-6 aircraft in gear-up configuration in ship-based and shore-based flexdeck handling, servicing and rearming operations.

Flexdeck Handling

A minimum of three (3) methods shall be investigated for handling the airplane in the gear-up configuration in the following flexdeck handling operations:

- (1) Removal of the airplane from the end or the side of the flexible deck by powered tow rope. The Contractor shall maintain active liaison with the contractor developing the Mark I Type A deck towing equipment to obtain required aircraft design data.
- (2) Normal deck handling of the airplane in spotting, parking and elevator handling and servicing and rearming.
- (3) Positioning airplane on the catapult.

The design studies shall include analyses and general arrangement drawings covering the modifications required in the airplane and the configuration and characteristics of the deck equipments required for each handling method.

The deck handling equipments shall be so designed to permit the airplane to be hoisted from the deck handling equipment, the equipment removed, the landing gear of the airplane extended and the airplane lowered to the deck on its normal gear.

(c) Methods of gear-up launching of the F9F-6 airplane from modified shore-based and ship-based C-11 and C-7 catapults and ship-based E4B and H8 catapults. Determine modifications required in the airplane and each of the catapult types to accommodate each launching method.

RESTRICTED
SECURITY INFORMATION

DECLASSIFIED

Authority AND 947020
10/20/84 KARL Date 8/10/89

RESTRICTED
SECURITY INFORMATION

Contract N0as 53-1021-c

Flexdeck Launching

A minimum of two (2) methods shall be investigated for gear-up launching of the airplane from modified shore-based and ship-based C-11 and C-7 catapults and modified ship-based H4B and H8 catapults.

The minimum design catapulting weight shall be the normal gross weight of the airplane less all external load items.

The design catapult launching speed shall be $1.1 V_c$ where V_c is the minimum speed for satisfactory launching flight handling qualities at minimum design catapulting weight in the configuration proposed by the Contractor.

If feasible, the modifications required in the shore-based and ship-based catapults shall not prevent their use for launching conventional aircraft.

The launching methods selected shall be compatible with proposed aircraft handling methods.

The Contractor shall maintain active liaison with the Naval Air Material Center in determining catapulting methods and modifications.

Item 2 - The Contractor shall modify two (2) Government (Navy)-owned F9F-6 aircraft for flexible deck landing and handling operations and design deck handling equipments therefor, as follows:

Incorporate provisions in the aforesaid aircraft, based on the approved design studies under Items 1(a) and 1(b) for gear-up arrested landings on a flexible deck and for removal of the airplane from flexible deck by powered tow ropes and deck handling onto Contractor-designed and -constructed handling equipments.

Incorporate instrumentation in one (1) of the aforesaid aircraft to measure structural loads and accelerations in flexible deck landings. The measurements to be made shall be approved by the Bureau of Aeronautics. Measurement of vertical and fore and aft accelerations at c.g.; arresting hook axial load, and fuselage bottom loads and contact velocity in flexible deck landings shall be required.

Item 3 - The Contractor shall construct hereunder three (3) sets of handling equipments for one handling method, based on the approved design studies under Item 1(b), for transporting and deck handling of the airplane in the gear-up configuration.

Item 4 - The Contractor shall conduct hereunder static tests on one (1) modified Government (Navy)-owned F9F-6 airplane to 1.1 times limit load to demonstrate their structural integrity for landings on flexible deck. The Contractor shall submit to the Bureau of Aeronautics (Ships Installations Division) a test program for approval prior to the actual tests hereunder. Upon completion of the tests the

RESTRICTED
SECURITY INFORMATION

- 5 -

DECLASSIFIED

Authority ANN 947020
NSA/NARA Date 8/1/09

RESTRICTED
SECURITY INFORMATION

Contract NOs 53-1021-c

Contractor shall prepare and submit to the Bureau of Aeronautics (Ships Installations Division) a report on the results thereof. Upon approval by the Bureau of Aeronautics copies of the report of the tests shall be delivered in the quantities indicated and to the addresses specified in Section B, "Deliveries".

The static tests hereunder shall be conducted by the Contractor at the Contractor's plant, Bethpage, Long Island, New York.

In addition to the work above, the Contractor shall prepare and submit to the Bureau of Aeronautics (Ships Installations Division) bimonthly statements of the estimated completion of all work under the contract and the estimated amount of funds remaining thereunder.

SECTION D - INSPECTION AND ACCEPTANCE

Contract administration and security and the modifications to the airplanes shall be accomplished at the Contractor's plant, Bethpage, Long Island, New York, by the cognizant Naval Inspector.

Preliminary inspection of the analyses, design data, drawings and static test reports will be conducted at the Contractor's plant, Bethpage, Long Island, New York, by the cognizant Naval Inspector. Final inspection and acceptance of the analyses, design data, drawings and static test reports will be made by the Bureau of Aeronautics.

P77-1

SECTION E - PAYMENT OF FIXED FEE

Installment payments not exceeding in the aggregate ninety percent (90%) of the fixed fee shall be made to the Contractor at the time of each provisional payment on account of Allowable Cost. The amount of each installment payment shall be in the same ratio to ninety percent (90%) of the fixed fee as the related provisional payment on account of Allowable Cost is to the total estimated cost of performance of this contract. Upon final acceptance of all supplies and services to be furnished by the Contractor hereunder, the unpaid balance of the fixed fee shall be paid to the Contractor, subject to any adjustments of the fixed fee in accordance with other provisions of this contract.

1-1

RESTRICTED
SECURITY INFORMATION

Contract NOas 53-1021-c

F60-

SECTION F - RECORDS

(a) (1) The Contractor agrees to maintain books, records, documents and other evidence pertaining to the costs and expenses of this contract (hereinafter collectively called the 'records') to the extent and in such detail as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies, services, or other costs and expenses of whatever nature for which reimbursement is claimed under the provisions of this contract. The Contractor's accounting procedures and practices shall be subject to the approval of the Bureau of Supplies and Accounts (Cost Inspection Service); provided, however, that no material change will be required to be made in the Contractor's accounting procedures and practices if the costs properly applicable to this contract are readily ascertainable therefrom.

1-6

F60-2

(2) The Contractor agrees to make available at the office of the Contractor at all reasonable times during the period set forth in subparagraph (4) below any of the records for inspection, audit, or reproduction, by any authorized representative of the Government.

(3) In the event the Comptroller General or any of his duly authorized representatives determines that his audit of the amounts reimbursed under this contract will be made at a place other than the office of the Contractor, the Contractor agrees to deliver at any time during the period set forth in subparagraph (4) below to such representative as may be designated for that purpose by the

2-6

F60-2

Bureau of Supplies and Accounts (Cost Inspection Service) such documentary evidence in support of contract costs as may be required by the Comptroller General or any of his duly authorized representatives.

(4) Except for documentary evidence delivered to the Government pursuant to subparagraph (3) above and not returned to the Contractor, the Contractor shall preserve and make available its records for a period of six years (unless a longer period of time is provided by applicable statute) from the date of the voucher or invoice submitted by the Contractor after the completion of the work under the contract and designated by the Contractor as the 'final voucher' or 'final invoice' or, in the event this contract has been completely terminated, from the date of the termination settlement agreement; provided, however, that records which relate to (A) appeals under

3-6

DECLASSIFIED

 Authority AND 947020
 3025 WARA Date 9/1/09

Contract HQas 53-1021-c

P50-2 the clause of this contract entitled "Disputes", (B) litigation or the settlement of claims arising out of the performance of this contract, or (C) costs or expenses of the contract as to which exception has been taken by the Comptroller General or any of his duly authorized representatives shall be retained by the Contractor until such appeals, litigation, claims, or exceptions have been disposed of, but in no event for less than the six year period mentioned above.

4-6 (5) Except for the documentary evidence required to be delivered pursuant to subparagraph (3) above, the Contractor may in fulfillment of its obligation to retain or deliver its records as required by this clause substitute photographs, microphotographs or other authentic reproductions of such records, to the extent and in the manner approved by the Contracting Officer.

P50-2 (6) The provisions of this paragraph (a), including this subparagraph (6), shall be applicable to and included in each fixed-price subcontract hereunder subject to price redetermination or escalation and in each subcontract hereunder which is on a cost, cost-plus-a-fixed-fee, time-and-material or labor-hour basis.

5-6 P50-2 6-6 (b) The Contractor further agrees to include in his fixed-price subcontracts hereunder which are not subject to price redetermination or escalation a provision to the effect that the subcontractor agrees that the Comptroller General or any of his duly authorized representatives shall, until the expiration of three years after final payment under this contract with the Government, have access to and the right to examine any directly pertinent books, documents, papers, and records of such subcontractor involving transactions related to the subcontract. The term "subcontract", as used in this paragraph (b) only, excludes (i) purchase orders not exceeding \$1,000 and (ii) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

Contract NOs 53-1021-c

115-1 SECTION G. - SUBCONTRACTING TO SMALL BUSINESS CONCERNS

It is the policy of the Government as declared by the Congress to bring about the greatest utilization of small business concerns which is consistent with efficient production. The Contractor agrees to accomplish the maximum amount of subcontracting to small business concerns that the Contractor finds to be consistent with the efficient performance of this contract.

1-1

102-1 SECTION H. - MODIFICATION OF GENERAL PROVISION NO. 26

General Provision No. 26, entitled "Subcontracts", is hereby modified by deleting the proviso contained in subparagraph (b), and by changing subparagraph (c) to read as follows:

The Contractor shall be reimbursed for any amount paid to any subcontractor or vendor hereunder, pursuant to any settlement with respect to the complete or partial termination of any subcontract or purchase order terminated under circumstances which require the Government to bear the cost of the settlement, provided that such settlement is approved or ratified by the Contracting Officer to the extent he may require.

1-1

120-5.4 SECTION I. - FOREIGN PATENT RIGHTS

The Contractor agrees, notwithstanding any other provision in this contract to the contrary, (i) to grant to the Government, upon request, title to the foreign rights in each Subject Invention (as defined in the clause of this contract entitled "Patent Rights"), (ii) to inform the Contracting Officer, at the time of making the disclosure provided for under the terms of paragraph (c) (1) of the clause of this contract entitled "Patent Rights," whether or not there has been a publication of such invention and if so, the date and identity of such publication and (iii) to deliver to the Contracting Officer such duly executed instruments (prepared by the Government) of assignment, application papers and rightful oaths as are necessary to vest in the Government with respect to each Subject Invention (A) the sole and exclusive ownership in any foreign patent application and any patent that may issue thereon, and (B) the right to apply for and prosecute such foreign patent applications.

1-2

120-5.4

2-2

DECLASSIFIED

Authority AND 94702
 WFO/KARA Date 1/1/89

GENERAL PROVISIONS

(Cost Type Contracts)

1. DEFINITIONS

As used throughout this contract, the following terms shall have the meanings set forth below:

- (a) The term "Secretary" means the Secretary, the Under Secretary, or any Assistant Secretary of the Department of the Navy; and the term "his duly authorized representative" means any person or persons or board (other than the Contracting Officer) authorized to act for the Secretary.
- (b) The term "Contracting Officer" means the person executing this contract on behalf of the Government, and any other officer or civilian employee who is a properly designated Contracting Officer; and the term includes, except as otherwise provided in this contract, the authorized representative of a Contracting Officer acting within the limits of his authority.
- (c) Except as otherwise provided in this contract, the term "subcontracts" includes purchase orders under this contract.
- (d) The term "Department" means the Department of the Navy.

2. CHANGES

The Contracting Officer may at any time, by a written order, and without notice to the sureties, if any, make changes, within the general scope of this contract, in any one or more of the following: (i) drawings, designs, or specifications, where the supplies to be furnished are to be specially manufactured for the Government in accordance therewith; (ii) method of shipment or packing; (iii) place of inspection, delivery, or acceptance; and (iv) the amount of Government-furnished property. If any such change causes an increase or decrease in the estimated cost of, or the time required for, performance of this contract, or otherwise affects any other provision of this contract, an equitable adjustment shall be made (i) in the estimated cost or delivery schedule, or both, (ii) in the amount of any fixed fee to be paid to the Contractor, if appropriate, and (iii) in such other provisions of the contract as may be so affected, and the contract shall be modified in writing accordingly. Any claim by the Contractor for adjustment under this clause must be asserted within 30 days from the date of receipt by the Contractor of the notification of change; provided, however, that the Contracting Officer, if he decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this contract. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes." However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

3. ALLOWABLE COST, FIXED FEE, AND PAYMENT

(a) The Government shall pay to the Contractor the Allowable Cost of the performance of this contract determined in accordance with Part 2 of Section XV of the Armed Services Procurement Regulation and the Schedule, plus such fixed fee, if any, as may be provided for in the Schedule.

(b) Once each month (or at more frequent intervals, if approved by the Bureau of Supplies and Accounts (Cost Inspection Service)) the Contractor may submit to an authorized representative of the Bureau of Supplies and Accounts (Cost Inspection Service), in such form and reasonable detail as such representative may require, an invoice or public voucher supported by a statement of cost incurred by the Contractor in the performance of this contract and claimed to constitute Allowable Cost. The statement of cost shall be certified by two officers or other responsible officials of the Contractor, one of whom shall be a person supervising accounting with respect to the contract.

(c) As promptly as may be practicable after receipt of each invoice or voucher and statement of cost, the Government shall make provisional payment thereon except as hereinafter provided. After payment of eighty percent

(80%) of the total estimated cost of performance of this contract, as from time to time amended, further provisional payments on account of Allowable Cost shall be withheld until a reserve of either (i) one percent (1%) of such total estimated cost or (ii) \$100,000, whichever shall be less, shall have been set aside, such reserve to be paid to the Contractor at the time of final payment on account of Allowable Cost.

(d) At any time or times prior to final payment on account of Allowable Cost the Bureau of Supplies and Accounts (Cost Inspection Service) may cause to be made such audit of the invoices or vouchers and statements of cost as shall be deemed proper. Each provisional payment shall be subject to reduction to the extent of amounts included in the related invoice or voucher and statement of cost which are found by the Bureau of Supplies and Accounts (Cost Inspection Service) not to constitute Allowable Cost, and shall also be subject to reduction for overpayments or to increase for underpayments on preceding invoices or vouchers. On receipt of the final invoice or voucher and statement of cost, which shall be submitted by the Contractor as promptly as may be practicable following final acceptance of the work under this contract but not later than one (1) year from the date of such final acceptance unless such period is extended in writing by the Contracting Officer, and following compliance by the Contractor with all provisions of this contract (including, without limitation, provisions relating to patents and the provisions of paragraphs (e) and (f) of this clause), the Government shall as promptly as may be practicable pay any balance of Allowable Cost.

(e) The Contractor and each assignee under an assignment entered into under this contract and in effect at the time of final payment shall execute and deliver at the time of and as a condition precedent to final payment on account of Allowable Cost, a release in form and substance satisfactory to and containing such exceptions as may be found appropriate by the Contracting Officer, discharging the Government, its officers, agents and employees of and from all liabilities, obligations, and claims arising out of or under this contract.

(f) The Contractor agrees that any refunds, rebates, or credits (including any interest thereon) accruing to or received by the Contractor or any assignee which arise out of the performance of this contract and on account of which the Contractor has received reimbursement shall be paid by the Contractor to the Government. The Contractor and each assignee under an assignment entered into under this contract and in effect at the time of final payment shall execute and deliver at the time of and as a condition precedent to final payment on account of Allowable Cost, an assignment to the Government of refunds, rebates or credits (including any interest thereon) arising out of the performance of this contract in form and substance satisfactory to the Contracting Officer.

(g) Payment of the fixed fee, if any, shall be made to the Contractor as provided in the Schedule.

(h) Any and all provisional, partial, or advance payments made under this contract shall be secured, when made, by a lien in favor of the Government on account of all payments so made upon the articles and things contracted for and on all material and other property acquired for or allocated to the performance of this contract, except to the extent that the Government, by virtue of any other provisions of this contract or otherwise, shall have valid title to such articles, things, materials, or other property as against other creditors of the Contractor. Said lien is hereby established and made paramount to all other liens under the provisions of an Act approved August 22, 1911 (Public No. 41, 62d Cong.; 37 Stat. 32; 34 U. S. C. 582).

4. LIMITATION OF ALLOWABLE COST

(a) If at any time the Contractor has reason to believe that the cost to be incurred by it in the performance of this contract in the next succeeding 90 days, when added to all previous costs, will exceed the total estimated cost of performance, as revised from time to time in accordance with

NAVAER-2905 (NEW 1-52)

the provisions herein, the Contractor shall notify the Contracting Officer to that effect, giving a new estimate of the total expenditures required to perform this contract together with an appropriate breakdown of such estimate and a statement setting forth the reasons for such anticipated increase in cost, so that at the discretion of the Contracting Officer an appropriate increase may be made in the estimated cost without increase in the fixed fee.

(b) If at any time the Contractor has reason to believe that the cost to be incurred by it in the performance of this contract in the next succeeding 90 days, when added to all previous costs, will exceed any specific limitation on reimbursement of Allowable Cost set forth in the Schedule, as revised from time to time, the Contractor shall notify the Contracting Officer to that effect.

(c) Notwithstanding any other provisions of this contract, any cost incurred by the Contractor in the performance of this contract in excess of either (1) the total estimated cost, as revised from time to time, or (2) any specific limitation on reimbursement of Allowable Cost set forth in the Schedule, as revised from time to time, shall not be considered as an item of Allowable Cost under this contract. The Government shall not be obligated to reimburse the Contractor for any expenditures in excess of either such total estimated cost, or such limitation on reimbursement, and the Contractor shall not be bound to take any action in, or in connection with, the performance of this contract that would cause the total amount expended by the Contractor in such performance to exceed either such total estimated cost or such limitation on reimbursement.

5. INSPECTION

(a) All supplies, materials and workmanship shall be subject to inspection and test by the Government during manufacture and at all other times and places, to the extent practicable. In case any supplies are defective in material or workmanship, or otherwise fail to meet the requirements of this contract, the Government shall have the right to reject such supplies or require their correction as set forth in the Section hereof entitled "Correction of Defects." Rejected supplies or supplies requiring correction shall be removed by the Contractor promptly after notice and shall not be resubmitted for acceptance without concurrent notice of their prior rejection. Rejected supplies not suitable for correction shall be so segregated by the Contractor as to preclude possibility of use under this contract.

(b) The Contractor shall provide and shall require subcontractors to provide an inspection system acceptable to the Naval Inspector covering the inspection of all materials, fabricating methods, jigs, fixtures, dies, finished parts and completed supplies. If any inspection or test is made by the Government on the premises of the Contractor or a subcontractor, the Contractor shall provide and shall require subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the inspectors in the performance of their duties. Tests shall be as described herein and in the specifications. If supplies are not ready at the time inspection is requested by the Contractor, the Government may charge to the Contractor any additional cost of inspection and test.

(c) Final inspection and acceptance shall be made at the point of delivery unless otherwise stated in this contract.

6. ASSIGNMENT OF CLAIMS

(a) Pursuant to the provisions of the Assignment of Claims Act of 1940 as amended (31 U. S. Code 303, 41 U. S. Code 15), if this contract provides for payments aggregating \$1,000 or more, claims for moneys due or to become due the Contractor from the Government under this contract may be assigned to a bank, trust company, or other financing institution, including any Federal lending agency, and may thereafter be further assigned and reassignment to any such institution. Any such assignment or reassignment shall cover all amounts payable under this contract and not already paid, and shall not be made to more than one party, except that any such assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in such financing. Notwithstanding any other provision of this contract, payments to an assignee of any moneys due or to become due under this contract shall not, to the extent provided in said Act as amended, be subject to reduction or set-off.

9. MILITARY SECURITY INFORMATION

(a) The provisions of the following paragraphs of this clause shall apply only if and to the extent that this contract involves access to matter classified "Top Secret," "Secret," "Confidential," or "Restricted."

(b) The Contractor agrees to provide and maintain a system of security controls within its or his own organization in accordance with (1) the requirements of the Department of Defense Industrial Security Manual for Safeguarding Classified Matter, dated January 18, 1961, as in effect from date of this contract, which Manual is hereby incorporated by reference and made a part of this contract, and (2) any amendments to said Manual required by the date of this contract, notice of which to the Contractor.

agrees that it shall indicate when on "Top Secret," "Secret," "Confidential," the degree of importance to the national defense of information pertaining to supplies, services, and other matters to be furnished by the Contractor to the Government or the Government to the Contractor, and the Government shall give written notice of such classification to the Contractor and of any subsequent changes thereof. The Contractor is authorized to rely on any letter or other written instrument issued by the Gov.

(b) In no event shall copies of this contract or of any plans, specifications, or other similar documents relating to work under this contract, if marked "Top Secret," "Secret," "Confidential," or "Restricted," be furnished to any assignee or any claim arising under this contract or to any other person not entitled to receive the same; provided, that a copy of any part or all of this contract so marked may be furnished, or any information contained therein may be disclosed, to such assignee upon the prior written authorization of the Contracting Officer.

7. LIABILITY TO THIRD PERSONS

(a) The Contractor shall procure and thereafter maintain workmen's compensation, employer's liability and bodily injury liability insurance, with respect to work done under this contract, and such other liability insurance with respect to work done under this contract as the Government may from time to time require or approve, except that the Contractor may self-insure with respect to workmen's compensation claims pursuant to statutory authority. All such insurance shall be in such form, in such amounts, for such periods of time, and with such insurers, as the Government may from time to time require or approve.

(b) The Contractor shall be reimbursed: (1) for the portion allocable to this contract of the reasonable cost of insurance required or approved by the Government pursuant to the provisions of paragraph (a) of this clause, and (2) for liability to third persons for loss of or damage to property, death or bodily injury, not compensated by insurance or otherwise, arising out of and incurred during the performance of this contract, whether or not caused by the negligence of the Contractor, its agents, servants, or employees, provided such liabilities are represented by final judgments or by settlements approved in writing by the Government, and expenses incidental to such liabilities, except liabilities (A) for which the Contractor is otherwise responsible under the express terms of the clause or clauses, if any, specified in the Schedule, or (B) with respect to which the Contractor has failed to insure as required or approved by the Government, or (C) which result from willful misconduct or lack of good faith on the part of any of the Contractor's directors or officers, or on the part of any of its managers, superintendents, or other equivalent representatives, who has supervision or direction of (1) all or substantially all of the Contractor's business, or (2) all or substantially all of the Contractor's operations at any one plant or separate location in which this contract is being performed, or (3) a separate and complete major industrial operation in connection with the performance of this contract.

(c) The Contractor shall give the Government or its representatives immediate notice of any suit or action filed, or any claim made, against the Contractor arising out of the performance of this contract, the cost and expense of which is reimbursable to the Contractor under the provisions of this contract, and the limit of which is then unliquidated or in which the amount claimed exceeds the amount of insurance coverage. The Contractor shall furnish immediately to the Government copies of all pertinent papers received by the Contractor. If the amount of the liability claimed exceeds the amount of insurance coverage, the Contractor shall authorize representatives of the Government to collaborate with counsel for the insurance carrier, if any, in settling or defending such claim. If the liability is not insured, the Contractor shall, if required by the Government, authorize representatives of the Government to settle or defend any such claim and to represent the Contractor in or take charge of any litigation in connection therewith.

8. PROTECTION OF CLASSIFIED PRINTED MATTER

(a) Production and furnishing of classified printed matter, if any, called for by this contract are subject to and governed by the provisions of the current edition of the Department's "Security Measures for the Protection of Classified Printed Matter During Production" (NAVEXOS P-29), which provisions are hereby incorporated in this contract by reference.

(b) The Contractor shall include a provision identical to this clause, including this paragraph (b), in all subcontracts which call for the production and furnishing of classified printed matter under this contract.

or proceeding in the name of the Contractor, and to furnish to the Government all reasonable assistance and cooperation requested by the Government in the prosecution of any such claim, litigation or proceeding for the recovery of such taxes.

11. RENEGOTIATION

(a) This contract is subject to the Renegotiation Act of 1961 (P. L. 8, 824 Cong.) and shall be deemed to contain all the provisions required by Section 104 of said Act.

(b) The Contractor (which term as used in this clause means the party contracting to furnish the materials or perform the work required by this contract) agrees to insert the provisions of this clause, including this paragraph (b), in all subcontracts as required by Section 104 of the Renegotiation Act of 1961; provided, that the Contractor shall not be required to insert the provisions of this clause in any subcontract of a class or type described in Section 106 (a) of the Renegotiation Act of 1961.

12. DISPUTES

Except as otherwise provided in this contract, any dispute (other than one concerning the allowability of cost)

DECLASSIFIED
authority ANDRATIOS
3/20/94 NARA Date 3/10/94

GENERAL PROVISIONS

(Cost Type Contracts)

Contract, the following (80%) of the total

Produced under the National Archives
Provision of money due or to the extent provided for reduction of contract

9. MILITARY SECURITY REQUIREMENTS

(a) The provisions of the following paragraphs of this clause shall apply only if and to the extent that this contract involves access to matter classified "Top Secret," "Secret," "Confidential," or "Restricted."

(b) The Contractor agrees to provide and maintain a system of security controls within its or his own organization in accordance with (1) the requirements of the Department of Defense Industrial Security Manual for Safeguarding Classified Matter, dated January 18, 1961, as in effect on date of this contract, which Manual is hereby incorporated by reference and made a part of this contract, and (2) any amendments to said Manual required by the demands of national security as determined by the Government and made after the date of this contract, notice of which has been furnished to the Contractor.

(c) The Government agrees that it shall indicate when necessary by classification ("Top Secret," "Secret," "Confidential," or "Restricted"), the degree of importance to the national defense of information pertaining to supplies, services, and other matters to be furnished by the Contractor to the Government or the Government to the Contractor, and the Government shall give written notice of such classification to the Contractor and of any subsequent changes thereof. The Contractor is authorized to rely on any letter or other written instrument signed by the Contracting Officer changing the classification of matter.

(d) Designated representatives of the Government responsible for inspection pertaining to industrial plant security shall have the right to inspect at reasonable intervals the procedures, methods, and facilities utilized by the Contractor in complying with the requirements of the terms and conditions of this clause. Should the Government, through its authorized representative, determine that the Contractor's security methods, procedures, or facilities do not conform to such requirements, it shall submit a written report to the Contractor advising him of the proper actions to be taken in order to effect compliance with such requirements.

(e) Any disagreement concerning a question of fact arising under this clause shall be considered a dispute within the meaning of the clause of this contract entitled "Disputes."

(f) The Contractor agrees to insert in all subcontracts hereunder which involve access to classified matter, provisions which shall conform substantially to the language of this clause, including this paragraph (f).

10. FEDERAL, STATE AND LOCAL TAXES

Except as otherwise provided in this contract, Federal, State and local taxes (other than (i) Federal taxes on income and excess profits, (ii) taxes in connection with financing, refinancing, or refunding operations, and (iii) Federal excise taxes from which exemption is obtainable under Sections 3442 (1) and 3442 (2) of the Internal Revenue Code or for which a credit is obtainable under Section 3403 (c) thereof) paid by the Contractor or any cost or cost-plus-a-fixed-fee subcontractor hereunder (provided that there was no fixed-price subcontractor intervening between such subcontractor and the Contractor) and incident to the performance of this contract shall constitute items of allowable cost under this contract or such cost or cost-plus-a-fixed-fee subcontract if (1) the Contractor has requested the Department to furnish tax exemption certificates or other similar evidence of exemption for use by the Contractor and such cost or cost-plus-a-fixed-fee subcontractor in obtaining exemption from such Federal, State or local taxes and (2) the Department has notified the Contractor that it will not furnish such evidence of exemption. Payments of taxes for which evidence of exemption has been furnished hereunder shall constitute items of allowable cost under this contract (1) if the Federal taxing authorities have refused to recognize such evidence of exemption or (2) if the State or local taxing authorities have refused to recognize such evidence of exemption and the Contractor has notified the Contracting Officer of such refusal and has taken such steps as may have been requested by the Government to cause such taxes to be paid under protest, to preserve and to cause to be assigned to the Govern-

ment any and all rights to any refund of such taxes, to permit the Government to prosecute any claim, litigation or proceeding in the name of the Contractor, and to furnish to the Government all reasonable assistance and cooperation requested by the Government in the prosecution of any such claim, litigation or proceeding for the recovery of such taxes.

11. RENEGOTIATION

(a) This contract is subject to the Renegotiation Act of 1961 (P. L. 8, 82d Cong.) and shall be deemed to contain all the provisions required by Section 104 of said Act.

(b) The Contractor (which term as used in this clause means the party contracting to furnish the materials or perform the work required by this contract) agrees to insert the provisions of this clause, including this paragraph (b), in all subcontracts as required by Section 104 of the Renegotiation Act of 1961; provided, that the Contractor shall not be required to insert the provisions of this clause in any subcontract of a class or type described in Section 108 (a) of the Renegotiation Act of 1961.

12. DISPUTES

Except as otherwise provided in this contract, any dispute (other than one concerning the allowability of cost) concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Contracting Officer; and any dispute concerning the allowability of cost under this contract shall be decided by the Chief of the Bureau of Supplies and Accounts or his duly authorized representative. Such decision shall be reduced to writing and a copy thereof mailed or otherwise furnished to the Contractor. Within 30 days from the date of receipt of such copy, the Contractor may appeal by mailing or otherwise furnishing to the Contracting Officer or the Chief of the Bureau of Supplies and Accounts or his duly authorized representative, as the case may be, a written appeal addressed to the Secretary, and the decision of the Secretary or his duly authorized representative for the hearing of such appeals shall be final and conclusive; provided, that if no such appeal is taken, the decision of the Contracting Officer or the Chief of the Bureau of Supplies and Accounts or his duly authorized representative, as the case may be, shall be final and conclusive. In connection with any appeal proceeding under this clause, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the contract and in accordance with the decision of the Contracting Officer or Chief of the Bureau of Supplies and Accounts or his duly authorized representative, as the case may be.

13. EMPLOYMENT OF ALIENS

No aliens employed by the Contractor shall be permitted to have access to the plans or specifications, or the work under construction, or to participate in the contract trials, without the written consent beforehand of the Secretary or his duly authorized representative.

14. BUY AMERICAN ACT

The Contractor agrees that there will be delivered under this contract only such unmanufactured articles, materials, and supplies (which term "articles, materials, and supplies" is hereinafter referred to in this clause as "supplies") as have been mined or produced in the United States, and only such manufactured supplies as have been manufactured in the United States substantially all from supplies mined, produced, or manufactured, as the case may be, in the United States. Pursuant to the Buy American Act (41 U. S. Code 10a-3), the foregoing provision shall not apply (i) with respect to supplies excepted by the Secretary from the application of that Act, (ii) with respect to supplies for use outside the United States, or (iii) with respect to the supplies to be delivered under this contract which are of a class or kind determined by the Secretary or his duly authorized representative not to be mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality, or (iv) with respect to such supplies, from which the supplies to be delivered under this

DECLASSIFIED
Authority AWD 947020
392 LARA Date 8/10/09

contract are manufactured, as are of a class or kind determined by the Secretary or his duly authorized representative not to be mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality, provided that this exception (iv) shall not permit delivery of supplies manufactured outside the United States if such supplies are manufactured in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality.

15. CONVICT LABOR

In connection with the performance of work under this contract, the Contractor agrees not to employ any person undergoing sentence of imprisonment at hard labor.

16. EIGHT-HOUR LAW OF 1912

This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912 as amended (40 U. S. Code 324-326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35-45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912 as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Contractor or any subcontractor contracting for any part of the said work, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every such laborer and mechanic employed by the Contractor or any subcontractor engaged in the performance of this contract shall be computed on a basis day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed upon the Contractor for each such laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause; and all penalties thus imposed shall be withheld for the use and benefit of the Government.

17. WALSH-HEALEY PUBLIC CONTRACTS ACT

If this contract is for the manufacture or furnishing of materials, supplies, articles, or equipment in an amount which exceeds or may exceed \$10,000 and is otherwise subject to the Walsh-Healey Public Contracts Act as amended (41 U. S. Code 35-45), there are hereby incorporated by reference all representations and stipulations required by said Act and regulations issued thereunder by the Secretary of Labor, such representations and stipulations being subject to all applicable rulings and interpretations of the Secretary of Labor which are now or may hereafter be in effect.

18. NONDISCRIMINATION IN EMPLOYMENT

In connection with the performance of work under this contract, the Contractor agrees not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin; and further agrees to insert the foregoing provision in all subcontracts hereunder except subcontracts for standard commercial supplies or for raw materials.

19. OFFICIALS NOT TO BENEFIT

No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

20. COVENANT AGAINST CONTINGENT FEES

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the Government shall have the right to annul this contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

21. TERMINATION

(a) The performance of work under the contract may be terminated by the Government in accordance with this clause in whole, or from time to time in part, (1) whenever the Contractor shall default in performance of this contract in accordance with its terms (including in the term "default" any such failure by the Contractor to make progress in the prosecution of the work hereunder as endangers such performance), and shall fail to cure such default within a period of ten days (or such longer period as the Contracting Officer may allow) after receipt from the Contracting Officer of a notice specifying the default, or (2) whenever for any reason the Contracting Officer shall determine that such termination is in the best interests of the Government. Any such termination shall be effected by delivery to the Contractor of a Notice of Termination specifying whether termination is for the default of the Contractor or for the convenience of the Government, the extent to which performance of work under the contract is terminated, and the date upon which such termination becomes effective. If, after notice of termination of this contract for default under (1) above, it is determined that the Contractor's failure to perform or to make progress in performance is due to causes beyond the control and without the fault or negligence of the Contractor pursuant to the provisions of the clause of this contract entitled "Excusable Delays," the Notice of Termination shall be deemed to have been issued under (2) above, and the rights and obligations of the parties hereto shall in such event be governed accordingly.

(b) After receipt of a Notice of Termination and except as otherwise directed by the Contracting Officer, the Contractor shall (1) stop work under the contract on the date and to the extent specified in the Notice of Termination; (2) place no further orders or subcontracts for materials, services or facilities except as may be necessary for completion of such portion of the work under the contract as is not terminated; (3) terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination; (4) assign to the Government, in the manner and to the extent directed by the Contracting Officer, all of the right, title and interest of the Contractor under the orders or subcontracts so terminated; (5) with the approval or ratification of the Contracting Officer, to the extent he may require, which approval or ratification shall be final and conclusive for all purposes of this clause, settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, the cost of which would be reimbursable, in whole or in part, in accordance with the provisions of this contract; (6) transfer title (to the extent that title has not already been transferred) and, in the manner, to the extent and at the times directed by the Contracting Officer, deliver to the Government (i) the fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced as a part of, or acquired in respect of the performance of, the work terminated by the Notice of Termination, (ii) the completed or partially completed plans, drawings, information and other property which, if the contract had been completed, would be required to be furnished to the Government, and (iii) the jigs, dies, and fixtures, and other special tools and tooling acquired or manufactured for the performance of this contract for the cost of which the Contractor has been or will be reimbursed under this contract; (7) use his best efforts to sell in the manner, at the times, to the extent, and at the price or prices directed or authorized by the Contracting

100

111

subject contracts which are classified printed matter under this contract.

DECLASSIFIED
 Authority AND 947020
 39 JUL 1989 Date 5/1/89

GENERAL PROVISIONS

(Cost Type Contracts)

(80% of the total estimated cost of performance of this contract shall be included further provisions)

Contractor; any property of the types referred to in provision (b) of this paragraph, Provided, however, That the Contractor (1) shall not be required to extend credit to any purchaser, and (2) may acquire any such property under the conditions prescribed by and at a price or prices approved by the Contracting Officer; And provided further, That the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made by the Government to the Contractor under this contract or shall otherwise be credited to the price or cost of the work covered by this contract or paid in such other manner as the Contracting Officer may direct; (8) complete performance of such part of the work as shall not have been terminated by the Notice of Termination; and (9) take such action as may be necessary, or as the Contracting Officer may direct, for the protection and preservation of the property related to this contract which is in the possession of the Contractor and in which the Government has or may acquire an interest. The Contractor shall proceed immediately with the performance of the above obligations notwithstanding any delay in determining or adjusting the amount of the fixed fee, or any item of reimbursable cost, under this clause. At any time after expiration of the plant clearance period, as defined in Section VIII, Armed Services Procurement Regulation, as it may be amended from time to time, the Contractor may submit to the Contracting Officer a list, certified as to quantity and quality, of any or all items of termination inventory not previously disposed of, exclusive of items the disposition of which has been directed or authorized by the Contracting Officer, and may request the Government to remove such items or enter into a storage agreement covering them. Not later than fifteen (15) days thereafter, the Government will accept title to such items and remove them or enter into a storage agreement covering the same, provided that the list submitted shall be subject to verification by the Contracting Officer upon removal of the items, or if the items are stored, within forty-five (45) days from the date of submission of the list, and any necessary adjustment to correct the list as submitted shall be made prior to final settlement.

(c) After receipt of a Notice of Termination, the Contractor shall submit to the Contracting Officer its termination claim in the form and with the certification prescribed by the Contracting Officer. Such claim shall be submitted promptly but in no event later than two years from the effective date of termination, unless one or more extensions in writing are granted by the Contracting Officer upon request of the Contractor made in writing within such two year period or authorized extension thereof. However, if the Contracting Officer determines that the facts justify such action, he may receive and act upon any such termination claim at any time after such two year period or any extension thereof. Upon failure of the Contractor to submit its termination claim within the time allowed, the Contracting Officer may determine, on the basis of information available to him, the amount, if any, due to the Contractor by reason of the termination and shall thereupon pay to the Contractor the amount so determined.

(d) Subject to the provisions of paragraph (c), the Contractor and the Contracting Officer may agree upon the whole or any part of the amount or amounts to be paid (including an allowance for the fixed-fee) to the Contractor by reason of the total or partial termination of work pursuant to this clause. The contract shall be amended accordingly, and the Contractor shall be paid the agreed amount.

(e) In the event of the failure of the Contractor and the Contracting Officer to agree in whole or in part, as provided in paragraph (d) above, as to the amounts with respect to costs and fixed fee or as to the amount of the fixed fee, to be paid to the Contractor in connection with the termination of work pursuant to this clause, the Contracting Officer shall determine, on the basis of information available to him, the amount, if any, due to the Contractor by reason of the termination and shall pay to the Contractor the amount determined as follows:

- (1) If the settlement includes cost and fixed-fee (i) There shall be included therein all costs and expenses reimbursable in accordance with this contract, not previously paid to the Contractor for the performance of this contract prior to the effective date of the Notice of Termination,

and such of these costs as may continue for a reasonable time thereafter with the approval of or as directed by the Contracting Officer, provided, however, that the Contractor shall proceed as rapidly as practicable to discontinue such costs.

- (ii) There shall be included therein so far as not included under (i) above the cost of settling and paying claims arising out of the termination of work under subcontracts or orders, as provided in paragraph (b) (5) above, which are properly chargeable to the terminated portion of the contract.

- (iii) There shall be included therein the reasonable costs of settlement, including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the contract and for the termination and settlement of subcontracts thereunder, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of termination inventory; provided, however, that if the termination is for default of the Contractor there shall not be included any amounts for the preparation of the Contractor's settlement proposal.

- (iv) There shall be included therein a portion of the fixed fee payable under the contract determined as follows:

(A) In the event of the termination of this contract for the convenience of the Government and not for the default of the Contractor, there shall be paid a percentage of the fee equivalent to the percentage of the completion of work contemplated by the contract, less fixed fee payments previously made hereunder.

(B) In the event of the termination of this contract for the default of the Contractor, the total fixed fee payable shall be such proportionate part of the fee (or, if this contract calls for articles of different types, of such part of the fee as is reasonably allocable to the type of article under consideration) as the total number of articles delivered to and accepted by the Government bears to the total number of articles of a like kind called for by this contract.

If the amount determined under this paragraph is less than the total payment of fixed fee theretofore made to the Contractor, the Contractor shall repay to the Government the excess amount.

- (2) If the settlement includes only the fixed fee, the amount thereof will be determined in accordance with subparagraph (e) (1) (iv) above.

(f) The Contractor shall have the right of appeal, under the clause of this contract entitled "Disputes", from any determination made by the Contracting Officer under paragraphs (c) or (e) above, except that if the Contractor has failed to submit its claim within the time provided in paragraph (c) above and has failed to request extension of such time, he shall have no such right of appeal. In any case where the Contracting Officer has made a determination of the amount due under paragraph (c) or (e) above the Government shall pay to the Contractor the following: (1) If there is no right of appeal hereunder or if no timely appeal has been taken, the amount so determined by the Contracting Officer, or (2) if an appeal has been taken, the amount finally determined on such appeal.

(g) In arriving at the amount due the Contractor under this clause there shall be deducted (1) all unliquidated advance or other unliquidated payments theretofore made to the Contractor, (2) any claim which the Government may have against the Contractor in connection with this contract, and (3) the agreed price for, or the proceeds of sale of, any materials, supplies or other things acquired by the Contractor or sold pursuant to the provisions of this clause

DECLASSIFIED
Authority AND 947020
3924 NARA Date 8/10/09

and not otherwise recovered by or credited to the Government.

(k) In the event of a partial termination, the portion of the fixed fee which is payable with respect to the work under the continued portion of the contract shall be equitably adjusted by agreement between the Contractor and the Contracting Officer, and such adjustment shall be evidenced by an amendment to this contract.

(l) The Government may from time to time, under such terms and conditions as it may prescribe, make partial payments and payments on account against costs incurred by the Contractor in connection with the terminated portion of the contract whenever in the opinion of the Contracting Officer the aggregate of such payments shall be within the amount to which the Contractor will be entitled hereunder. If the total of such payments is in excess of the amount finally determined to be due under this clause, such excess shall be payable by the Contractor to the Government upon demand, together with interest computed at the rate of 6% per annum, for the period from the date such excess payment is received by the Contractor to the date on which such excess is repaid to the Government; provided, however, that no interest shall be charged with respect to any such excess payment attributable to a reduction in the Contractor's claim by reason of retention or other disposition of termination inventory until 10 days after the date of such retention or disposition.

(m) The provisions of this clause relating to the fixed fee shall be inapplicable if this contract does not provide for payment of a fixed fee.

(n) Unless otherwise provided for in this contract, or by applicable statute, the Contractor from the effective date of termination and for a period of six years after final settlement under this contract, shall preserve and make available to the Government at all reasonable times at the office of the Contractor, but without direct charge to the Government, all its books, records, documents, and other evidence bearing on the cost and expenses of the Contractor under this contract and relating to the work terminated hereunder, or, to the extent approved by the Contracting Officer, photographs, microphotographs, or other authentic reproductions thereof.

22. EXCUSABLE DELAYS

The Contractor shall not be liable for any failure in performance of this contract in accordance with its terms (including any failure by the Contractor to make progress in the prosecution of the work hereunder which endangers such performance) if such failure arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes include, but are not restricted to: Acts of God or of the public enemy; acts of the Government; fires; floods; epidemics; quarantine restrictions; strikes; freight embargoes; unusually severe weather; and failure of subcontractors to perform or make progress due to such causes, unless the Contracting Officer shall have determined that the supplies or services to be furnished under the subcontract were obtainable from other sources and shall have made a written request of the Contractor to procure such services or supplies from such other sources, and the Contractor shall have failed reasonably to comply with such request. Upon request by the Contractor, the Contracting Officer shall ascertain the facts and extent of such failure and, if he shall determine that such failure was occasioned by any one or more of the said causes, the delivery schedule shall be revised accordingly.

23. NEUTRALITY ACT OF 1939

If any of the supplies to be delivered under this contract are arms, ammunition, or implements of war, as listed in the current proclamation issued by the President pursuant to the Neutrality Act of 1939 (22 U. S. Code 452), the Contractor either (1) represents that it is properly registered under said Act and agrees to furnish satisfactory evidence thereof upon request, or (2) represents that it is not subject in said Act and agrees to furnish satisfactory evidence thereof upon request.

24. GUARANTEES

The Contractor guarantees that the services hereunder will conform to the requirements of this contract and to the highest professional standard in the field, and that at the time of delivery thereof, the supplies provided for under this contract will conform to the requirements of this contract, and will be free from any defects in material and workmanship.

25. CORRECTION OF DEFECTS

(a) The Government may require the Contractor to remedy by correction or replacement, as directed by the Contracting Officer, any defects in design, installation, material or construction, or any other failures to comply with the guarantees, provided that as to defective supplies finally accepted the Government shall have notified the Contractor of such defects or failures not later than six (6) months after such final acceptance. Except as otherwise provided in paragraph (b) of this clause, the cost of any such correction or replacement shall be included in Allowable Cost determined as provided in the clause of this contract entitled "Allowable Cost, Fixed Fee and Payment," but no additional fee shall be payable with respect thereto.

(b) Such correction or replacement shall be without cost to the Government if the defects or failures are due to fraud, negligence or willful disregard of instructions on the part of any of the Contractor's directors or officers, or on the part of any of its managers, superintendents, or other equivalent representatives, who has supervision or direction of (1) all or substantially all of the Contractor's business, or (2) all or substantially all of the Contractor's operations at any one plant or separate location in which this contract is being performed, or (3) a separate and complete major industrial operation in connection with the performance of this contract. If the defects or failures are due to fraud, negligence or willful disregard of instructions on the part of employees of the Contractor other than the foregoing, such correction or replacement shall be at the cost of the Government, except where the Contractor has failed to exercise reasonable care in the selection and employment of individual employees involved, or where such employees have been retained after the Contractor had reason to believe that they were careless or otherwise unqualified.

(c) If the Government does not require the Contractor to correct or replace supplies which contain defects in design, installation, material or construction, or supplies or services which otherwise fail to comply with the guarantees, the Government shall pay the Allowable Cost of furnishing and delivering such supplies or services, but the fixed fee may be reduced by an amount fixed by the Contracting Officer which shall be equitable under the circumstances, provided that as to defective supplies finally accepted the Government shall have notified the Contractor of such defects or failures not later than six (6) months after such final acceptance. Failure to agree to any such reduction of fixed fee shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes."

26. SUBCONTRACTS

(a) In determining the fixed fee, if any, called for by the Schedule, the parties have taken into consideration the fact that the Contractor will subcontract portions of the work in order to expedite performance. Subject to the provisions of this clause and any other applicable provisions of this contract, the Contractor shall be reimbursed in accordance with the clause hereof entitled "Allowable Cost, Fixed Fee and Payment" for any amounts paid to subcontractors hereunder without any reduction in the Contractor's fixed fee by reason thereof.

(b) At least ten (10) days before entering into any subcontract hereunder on a cost-plus-fixed-fee basis or entering into any other subcontract or issuing any purchase order hereunder exceeding five percent (5%) of the total estimated cost of performance of this contract, or \$25,000.00, whichever amount shall be less, the Contractor shall notify the Naval Inspector in writing giving the name and location

contracts which shall be classified printed matter under this contract.

DECLASSIFIED
Authority NND 9471022
3922 NARA Date 8/1/09

GENERAL PROVISIONS

(Cost Type Contracts)

The subcontractor or vendor, the parts or materials to be purchased, the proposed delivery schedule, if known, and the fixed price or estimated cost and fixed fee to be paid; provided, however, that the Naval Inspector may at any time waive, generally or specifically, the requirement of giving any such notice. The failure of the Naval Inspector to raise objection to any matter contained in such notification shall not constitute an approval or disapproval thereof. When feasible, the Contractor shall obtain bids or quotations from more than one source for any parts, materials or work to be supplied under subcontract or purchase order.

(e) The Contractor shall be reimbursed for any amount paid to any subcontractor or vendor hereunder, pursuant to any settlement with respect to the complete or partial termination of any subcontract or purchase order terminated under circumstances which require the Government to bear the cost of the settlement, provided that such settlement is approved or ratified by the Contracting Officer to the extent he may require, and provided further that in the event the work under this contract is terminated in whole, or from time to time in part, for the convenience of the Government pursuant to the provisions of the clause of this contract entitled "Termination," the Government shall not be obligated to pay to the Contractor as a result of the complete or partial termination or cancellation of any subcontract or order relating to this contract, any amount for anticipatory profits.

(4) The Contractor will give the Government or its representatives immediate notice of any suit or action filed or any claim made against the Contractor by any subcontractor or vendor relating in any way to this contract and with respect to which the Contractor might be entitled to reimbursement from the Government.

27. GOVERNMENT PROPERTY

(a) The Government shall deliver to the Contractor the property described in the Schedule or the specifications at the times stated therein, or if not so stated in sufficient time to enable the Contractor to perform this contract. If any of such property is not delivered to the Contractor by such time or times, the Contracting Officer, upon written request of the Contractor, shall equitably adjust the time of performance of this contract. In no event shall the Government be liable to the Contractor for damages or loss of profit by reason of any delay in or failure to deliver any or all of the items set forth in the Schedule or specifications.

(b) Title to all property furnished by the Government shall remain in the Government. Title to all property purchased by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in the Government upon delivery of such property by the vendor. Title to other property, the cost of which is reimbursable to the Contractor under this contract, shall pass to and vest in the Government upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of processing or use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by the Government, whichever first occurs. All the items to be furnished by the Government, as set forth in the Schedule or specifications, together with all property acquired by the Contractor, title to which vests in the Government under this paragraph, are subject to the provisions of this clause and are hereinafter collectively referred to as "Government Property."

(c) Title to the Government Property shall not be affected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such Government Property, or any part thereof, be or become a fixture or lose its identity as personally by reason of affixation to any realty. The Contractor shall maintain adequate property control records of the Government Property and shall identify the Government Property as such in accordance with the provisions of the "Manual for Control of Government Property in Possession of Contractors" dated March 1961, which is incorporated herein by reference.

(d) The Government Property provided or furnished pursuant to the terms of this contract shall, unless otherwise provided herein, be used only for the performance of this contract.

(e) The Contractor shall maintain and administer, in accordance with sound industrial practice, a program for the maintenance, repair, protection, and preservation of Government Property, so as to assure its full availability and usefulness for the performance of this contract. The Contractor shall take all reasonable steps to comply with all appropriate directions or instructions which the Contracting Officer may prescribe as reasonably necessary for the protection of Government Property.

(f) (1) The Contractor shall not be liable for any loss of or damage to the Government Property, or for expenses incidental to such loss or damage, except that the Contractor shall be responsible for any such loss or damage (including expenses incidental thereto) (A) which results from willful misconduct or lack of good faith on the part of any of the Contractor's directors or officers, or on the part of any of its managers, superintendents, or other equivalent representatives, who has supervision or direction of (I) all or substantially all of the Contractor's business, or (II) all or substantially all of the Contractor's operations at any one plant or separate location in which this contract is being performed, or (III) a separate and complete major industrial operation in connection with the performance of this contract; or (B) which results from a failure on the part of the Contractor, due to the willful misconduct or lack of good faith on the part of any of its directors, officers, or other representatives mentioned in subparagraph (A) above, to maintain and administer, in accordance with sound industrial practice, the program for maintenance, repair, protection, and preservation of Government Property as required by paragraph (e) hereof, or which results from a failure on the part of the Contractor to take all reasonable steps to comply with any appropriate written directions of the Contracting Officer under paragraph (e) hereof; or (C) for which the Contractor is otherwise responsible under the express terms of the clause or clauses; if any, specified in the Schedule; or (D) which results from a risk expressly required to be insured under this contract, but only to the extent of the insurance so required to be procured and maintained, or to the extent of insurance actually procured and maintained, whichever is greater; or (E) which results from a risk which is in fact covered by insurance or for which the Contractor is otherwise reimbursed; but only to the extent of such insurance or reimbursement; provided, that if more than one of the above exceptions shall be applicable in any case, the Contractor's liability under any one exception shall not be limited by any other exception.

(ii) The Contractor shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance, or any provision for a reserve, covering the risk of loss of or damage to the Government Property, except to the extent that the Government may have required the Contractor to carry such insurance under any other provision of this contract.

(iii) Upon the happening of loss or destruction of or damage to the Government Property, the Contractor shall notify the Contracting Officer thereof, and shall communicate with the Loss and Salvage Organization, if any, now or hereafter designated by the Contracting Officer, and with the assistance of the Loss and Salvage Organization so designated (unless the Contracting Officer has designated that no such organization be employed), shall take all reasonable steps to protect the Government Property from further damage, separate the damaged and undamaged Government Property, put all the Government Property in the best possible order, and furnish to the Contracting Officer a statement of (A) the loss, destroyed, and damaged Government Property, (B) the time and origin of the loss, destruction, or damage, (C) all known interests in commingled property of which the Government Property is a part, and (D) the insurance, if any, covering any part of or interest in such commingled property. The Contractor shall make repairs and renovations of the damaged Government Property or take such other action, as the Contracting Officer directs.

(iv) In the event the Contractor is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the Government Property, it shall use the proceeds to repair, renovate, or replace the Government Property involved, or shall credit such proceeds against the cost of the work covered by the contract, or shall other-

DECLASSIFIED

Authority AND 947025
392 UCARA Date 3/1/09

wise reimburse the Government, as directed by the Contracting Officer. The Contractor shall do nothing to prejudice the Government's right to recover against third parties for any such loss, destruction, or damage and, upon the request of the Contracting Officer, shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including the prosecution of suit and the execution of instruments of assignment in favor of the Government) in obtaining recovery.

(g) The Government shall at all reasonable times have access to the premises where any of the Government Property is located.

(A) The Government Property shall remain in the possession of the Contractor for such period of time as is required for the performance of this contract unless the Contracting Officer determines that the interests of the Government require removal of such property. In such case the Contractor shall promptly take such action as the Contracting Officer may direct with respect to the removal and shipping of Government Property. In any such instance, the contract may be amended to accomplish an equitable adjustment in the terms and provisions thereof.

(f) Upon the completion of this contract, or at such earlier date as may be fixed by the Contracting Officer, the Contractor shall submit to the Contracting Officer in a form acceptable to him, inventory schedules covering all items of the Government Property not consumed in the performance of this contract (including any resulting scrap), or not theretofore delivered to the Government, and shall deliver or make such other disposal of the Government Property as may be directed by the Contracting Officer. Recoverable scrap shall be reported in accordance with a procedure and in such form as the Contracting Officer may direct. The net proceeds of any such disposal approved by the Contracting Officer shall be credited to the cost of the work covered by the contract or shall be paid in such manner as the Contracting Officer may direct.

(j) Unless otherwise provided herein, the Government shall not be under any duty or obligation to restore or rehabilitate, or to pay the costs of the restoration or rehabilitation of, the Contractor's plant or any portion thereof which is affected by the removal of any Government Property.

(k) Directions of the Contracting Officer and communications of the Contractor issued pursuant to this clause shall be in writing.

28. MARKING OF SHIPMENTS

The Contractor shall mark all its shipments under this contract in accordance with the current edition of "Military Standard Marking of Shipments" (MIL-STD-129), issued by the Department of Defense. The applicable lot or item number, or both, shall be included in the markings prescribed for each shipment in addition to the contract number.

29. CEILING PRICES

Contractor agrees that the prices invoiced hereunder will not exceed the lower of (1) the contract prices or (2) any applicable ceiling prices established by the Office of Price Stabilization or other authorized Government agency.

30. GRATUITIES

(a) The Government may, by written notice to the Contractor, terminate the right of the Contractor to proceed under this contract if it is found, after notice and hearing, by the Secretary or his duly authorized representative, that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by the Contractor, or any agent or representative of the Contractor, to any officer or employee of the Government with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing, of such contract; provided, that the existence of the facts upon which the Secretary or his duly authorized representative makes such findings shall be in issue and may be reviewed in any competent court.

(b) In the event this contract is terminated as provided in paragraph (a) hereof, the Government shall be entitled (1) to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the contract by the Contractor, and (2) as a penalty in addition to any other damages to which it may be entitled by the Secretary or his duly authorized representative) which shall be not less than three nor more than ten times the costs incurred by the Contractor in providing any such gratuities to any such officer or employee.

(c) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

31. NEW FEATURES OF DESIGN

In the event the Contractor prior to completion of deliveries hereunder develops (1) any improvement in the supplies herein purchased, or in any of the parts therefor, or (2) any substitute for any of such parts, he shall promptly give full information with respect thereto to the Contracting Officer.

32. NOTICE AND ASSISTANCE REGARDING PATENT INFRINGEMENT

(a) The Contractor agrees to report to the Contracting Officer, promptly and in reasonable written detail, each claim of patent infringement based on the performance of this contract and asserted against it, or against any of its subcontractors if it has notice thereof.

(b) In the event of litigation against the Government on account of any claim of infringement arising out of the performance of this contract or out of the use of any supplies furnished or construction work performed hereunder, the Contractor agrees that it will furnish to the Government, upon request, all evidence and information in its possession pertaining to the defense of such litigation. Such information shall be furnished at the expense of the Government except in those cases in which the Contractor has agreed to indemnify the Government against the claim being asserted.

33. REPORTING OF ROYALTIES

If this contract is in an amount which exceeds \$10,000, the Contractor agrees to report in writing to the Contracting Officer, during the performance of this contract and prior to its completion or final settlement, the amount of any royalties or royalty rates paid or to be paid by it directly to others in connection with the performance of this contract, together with the names and addresses of licensees to whom such payments are made and either the patent numbers involved or such other information as will permit identification of the patents or other basis on which royalties are to be paid. Where the Contractor's compliance with the foregoing reporting requirement is found by the Contracting Officer to be impracticable because of the size of the Contractor's business or because of the nature of its accounting procedures, the Contractor may furnish one or more reports, based on its established accounting periods and covering the entire contract period, of royalties in excess of \$1,000 (if computed on an annual basis) paid or to be paid to each licensee on the Contractor's own-all business, together with such other information as will permit identification of the patents or other basis on which royalties are to be paid, in which event the Contractor shall furnish the Contracting Officer, upon his request and at Government expense, an allocation of such royalty payments to Government business or to the work or supplies covered by this contract; reference to any such periodic royalty reports, previously furnished to any Government agency and covering the period of performance of this contract, shall constitute compliance with the reporting requirement of this clause.

34. FILING OF PATENT APPLICATIONS

(a) While and so long as the subject matter of this contract is classified "Secret" or higher, the Contractor

DECLASSIFIED
 Authority AND 947000
 3944 NARA Date 5/1/09

GENERAL PROVISIONS

agrees that, before filing or causing to be filed a patent application disclosing any of said subject matter, it will refer the proposed application to the Contracting Officer for determination whether, for reasons of national security, such application should be kept secret or the issuance of a patent thereunder otherwise delayed, under pertinent statutes or regulations; and the Contractor agrees to observe any instructions given by the Contracting Officer in this regard, which instructions may include a direction not to file such application so long as the Contracting Officer considers that such filing would jeopardize national security. If the Contracting Officer directs the Contractor not to file such application, the Contractor may submit to the Contracting Officer a written request, addressed to the Secretary, for reconsideration of such direction, but pending action by the Secretary, the Contractor shall observe such instruction.

(b) While and so long as the subject matter of this contract is classified "Confidential" or higher, and if the Contracting Officer determines that there is no other practical means for maintaining the security of said subject matter, the Contractor agrees to assign and convey to the Government upon request the entire right, title and interest in and to each United States patent application disclosing said subject matter and filed by or on behalf of the Contractor, the title to the assigned patent application to be held in trust by the Government, subject to reversion of the entire right, title and interest therein to the Contractor (1) upon allowance of the said application and payment of the final fee, or (2) upon the mailing of notice by the Contracting Officer to the Contractor that disclosure of the subject matter of the application will no longer jeopardize security. Nothing contained in this paragraph shall (A) apply to any patent application assigned to the Government under any other provision of this contract, or (B) enlarge or diminish the rights granted to or reserved by the Government or the Contractor with respect to said application or the invention covered thereby, except to the extent expressly provided in this clause.

(c) While and so long as the subject matter of this contract is classified "Confidential," the Contractor agrees to furnish to the Contracting Officer, at the time of or prior to filing or causing to be filed a patent application disclosing any of said subject matter, a copy of such application for determination whether, for reasons of national security, such application should be kept secret or the issuance of a patent thereunder otherwise delayed, under pertinent statutes or regulations; and the Contractor agrees to observe any instructions of the Contracting Officer in this regard.

(d) While and so long as the subject matter of this contract is classified "Restricted," the Contractor shall be governed by the provisions of the clause of this contract entitled "Military Security Requirements."

55. AUTHORIZATION AND CONSENT

The Government hereby gives its authorization and consent (without prejudice to its rights of indemnification, if such rights are provided for in this contract) for all use and manufacture, in the performance of this contract or any part hereof or any amendment hereto or any subcontract hereunder (including any lower-tier subcontract), of any patented invention (1) embodied in the structure or composition of any article the delivery of which is accepted by the Government under this contract, or (2) utilized in the machinery, tools or methods the use of which necessarily results from compliance by the contractor or the using subcontractor with (a) specifications or written provisions now or hereafter forming a part of this contract, or (b) specific written instructions given by the Contracting Officer directing the manner of performance.

56. PATENT RIGHTS

(a) As used in this clause, the following terms shall have the meanings set forth below:

(1) The term "Subject Invention" means any invention, improvement or discovery (whether or not patentable) conceived or first actually reduced to practice either (A) in the performance of the experimental, developmental or research work called for under this contract, or (B) in the performance of any experimental, developmental or research work relating to the subject matter of this contract which

(to 1)
was done upon the understanding that a contract would be awarded.

(ii) The term "Technical Personnel" means any person employed by or working under contract with the Contractor (other than a subcontractor whose responsibilities with respect to rights accruing to the Government in inventions arising under subcontracts are set forth in paragraphs (f), (g), and (h) of this clause), provided that such person, by reason of the nature of his duties in connection with the performance of this contract, would reasonably be expected to make inventions.

(iii) The terms "subcontract" and "subcontractor" mean any subcontract or subcontractor of the contractor, and any lower-tier subcontract or subcontractor under this contract.

(b) The Contractor agrees to and does hereby grant to the Government an irrevocable, nonexclusive, nontransferable, and royalty-free license to practice, and cause to be practiced for the Government throughout the world, each Subject Invention in the manufacture, use, and disposition according to law, of any article or material, and in the use of any method; provided, however, that with respect to (1) any Subject Invention made by other than Technical Personnel, (2) any Subject Invention conceived prior to any performance of this contract as set forth in paragraph (a) above but first actually reduced to practice in the course of any such performance, and (3) the practice of any Subject Invention in foreign countries, the said license and other rights hereinafter provided shall be to the extent of the Contractor's right to grant the same without incurring any obligation to pay royalties or other compensation to others solely on account of said grant. Nothing contained in this paragraph shall be deemed to grant any license under any invention other than a Subject Invention. Any license granted herein shall not convey any right to the Government to manufacture, have manufactured, or use any Subject Invention for the purpose of providing services or supplies to the general public in competition with the Contractor or the Contractor's commercial licensees in the licensed fields.

(c) The Contractor agrees as follows: (1) to make written disclosure promptly to the Contracting Officer of each Subject Invention which reasonably appears to be patentable and to exert all reasonable effort to make such disclosure not later than six months after first publication, public use or sale; (2) to specify, at the time of such disclosure, whether or not said Subject Invention has been or will be claimed in a United States patent application and unless it thereafter notifies the Government to the contrary not later than eight months after first publication, public use or sale, to file or cause to be filed in due form and time a United States patent application covering each Subject Invention so specified; (3) to the extent of the Contractor's right to do so, to deliver to the Contracting Officer such duly executed instruments (prepared by the Government) of assignment, application papers and rightful oaths as are necessary to vest in the Government the sole and exclusive ownership, and the right to apply for and prosecute patent applications covering each Subject Invention which the Contractor does not specify as aforesaid (or having so specified, thereafter notifies the Government to the contrary) subject, however, to the reservation of a nonexclusive and royalty-free license thereunder to the Contractor (and to its associated and affiliated companies, if any, within the corporate structure of which the Contractor is a part), which license shall be assignable to the successor of that part of the Contractor's business to which it pertains; (4) to furnish promptly to the Contracting Officer on request an irrevocable power of attorney to inspect and make copies of each United States patent application as filed by or on behalf of the Contractor covering any Subject Invention; (5) in the event the Contractor elects not to continue prosecution of any such United States patent application filed by the Contractor, to so notify the Contracting Officer not less than sixty days before the expiration of the response period, and upon written request, to deliver to the Contracting Officer, to the extent of the Contractor's right to do so, a duly executed assignment to the Government of the entire rights to such patent application and any Subject Invention claimed therein subject to a reservation as specified in (3) above; and (6) to deliver to the Contracting Officer duly executed instruments fully confirmatory of any license rights herein agreed to be granted to the Government. If, to the best of the Contractor's knowledge and belief, no inventions have been conceived or first actually reduced to

DECLASSIFIED

Authority AND 947020
392 LARA Date 3/10/09

practice under this contract, the Contractor shall so certify to the Contracting Officer.

(4) The Contractor agrees to and does hereby grant to the Government, to the full extent of the Contractor's right to do so without payment of compensation to others, the right to reproduce, use and disclose for governmental purposes (including the right to give to foreign governments for their use as the national interest of the United States may demand) all or any part of the reports, drawings, blueprints, data and technical information specified to be delivered by the Contractor to the Government under this contract; provided, however, that nothing contained in this paragraph shall be deemed, directly or by implication, to grant any license under any patent now or hereafter issued or to grant any right to reproduce anything else called for by this contract.

(5) Until the Contractor has delivered to the Government the disclosures required by paragraph (c) (1) of this clause and the information as to any subcontractor required by paragraph (f) of this clause, there shall be withheld from final payment under this contract ten percent (10%) of the contract price, or \$5,000, whichever is smaller; provided, however, that the withholding of the aforesaid amount, or subsequent payment thereof to the Contractor, shall not be construed as a waiver of any rights accruing to the Government under this contract; and provided further, that any amount so withheld under this paragraph shall not be in addition to any amounts withheld under other provisions of this contract. This paragraph shall not be construed as requiring the Contractor to withhold any amounts from a subcontractor to enforce compliance with the patent provisions of a subcontract.

(6) The Contractor agrees to exert all reasonable effort to negotiate for the inclusion in any subcontract hereunder of \$3,000 or more, in which payment is to be made for experimental, developmental or research work, of this patent rights clause or one approved by the Contracting Officer. In the event of refusal by a subcontractor to accept such patent rights clause, the Contractor shall obtain the written authorization of the Contracting Officer (which authorization may be granted with respect to a particular subcontract) to proceed with the subcontract, and shall cooperate with the Government in the negotiation with such subcontractor of a mutually acceptable patent rights clause; provided, however, that the Contractor shall in any event require the subcontractor to grant to the Government patent rights under Subject Inventions of no less scope and on no less favorable terms than those which the Contractor has under such subcontracts, except that in no event shall the subcontractor be required to grant to the Government patent rights in excess of those heretofore agreed to be granted to the Government by the Contractor.

(7) The Contractor agrees to notify the Contracting Officer in writing of any subcontract containing a patent rights clause, to furnish to the Contracting Officer a copy of such clause, and promptly to notify the Contracting Officer when such subcontract is completed. It is understood that with respect to such subcontract clause, the Government is a third party beneficiary; and the Contractor hereby assigns to the Government all the rights that the Contractor would have to enforce the obligations of the subcontractor with respect to Subject Inventions. The Contractor shall not be obligated to enforce the agreements of any subcontractor hereunder relating to a patent rights clause in any subcontract.

(8) When the Contractor shows that it has been delayed in the performance of this contract by reason of its inability to obtain, under reasonable terms that include a suitable patent rights clause, a qualified subcontractor for any particular part, item or function of this contract for which the Contractor itself does not have available facilities or qualified personnel, the Contractor's delivery

dates shall be extended for a period of time equal to the duration of such delay; and, upon request of the Contractor, the Contracting Officer shall determine to what extent, if any, an additional extension of the delivery dates, and an increase in contract price based upon additional costs incurred, are proper under the circumstances; and the contract shall be modified accordingly. If the Contractor, after exerting all reasonable effort, is unable to obtain a qualified subcontractor as set forth above, the Contractor may submit to the Contracting Officer a written request for waiver or modification of the requirement that a suitable patent rights clause be included in the subcontract. Such request shall specifically state that the Contractor has made all reasonable efforts to obtain such qualified subcontractor and shall cite the waiver or termination provision hereinafter set forth. If, within thirty-five (35) days after the date of receipt of such request for a waiver or modification of said requirement, the Contracting Officer shall fail to grant such request, the requirement shall be deemed to have been waived by the Government. If within such period the Contractor shall receive a written denial of such request by the Contracting Officer, this contract shall thereupon automatically terminate and the rights and obligations of the parties shall be governed by the provisions of the clause of this contract entitled "Termination" just as if a notice of termination had been delivered to the Contractor, specifying that the contract was terminated for the convenience of the Government.

37. COPYRIGHTS

(a) The Contractor agrees to and does hereby grant to the Government, and to its officers, agents and employees acting within the scope of their official duties, (1) a royalty-free, nonexclusive and irrevocable license to reproduce, translate, publish, use, and dispose of, and to authorize others so to do, all copyrightable material first produced or composed and delivered to the Government under this contract by the Contractor, its employees or any individual or concern specifically employed or assigned to originate and prepare such material; and (2) a license as aforesaid under any and all copyrighted or copyrightable work not first produced or composed by the Contractor in the performance of this contract but which is incorporated in the material furnished under the contract, provided that such license shall be only to the extent the Contractor now has, or prior to completion or final settlement of the contract may acquire, the right to grant such license without becoming liable to pay compensation to others solely because of such grant.

(b) The Contractor agrees that it will exert all reasonable effort to advise the Contracting Officer, at the time of delivering any copyrightable or copyrighted work furnished under this contract, of any adversely held copyrighted or copyrightable material incorporated in any such work and of any invasion of the right of privacy therein contained.

(c) The Contractor agrees to report to the Contracting Officer, promptly and in reasonable written detail, any notice or claim of copyright infringement received by the Contractor with respect to any material delivered under this contract.

38. PAYMENT OF ROYALTIES

The Contractor shall not pay any sum for royalties or patent rights not included in the ordinary purchase price of parts embodied in the supplies purchased hereunder, unless and until duly authorized to make such payments by the Contracting Officer. Recognition of royalties so authorized to be paid as Items of Allowable Cost hereunder shall in no way constitute a recognition by the Government of the validity of any of the patents involved, nor shall any such recognition constitute a waiver of any rights or defenses respecting such patents.

Contractor shall not be obligated to enforce the agreements of any subcontractor hereunder relating to a patent rights clause in any subcontract.

DECLASSIFIED
 Authority AND 947020
 SP/LNARA Date 5/1/09

NAVYER-1824 (Rev. 8-48)

CONTRACT NO.
NO. 53-1021-c

This negotiated contract is made pursuant to the provisions of Section 2(c) (2) of the Armed Services Procurement Act of 1947 (Public Law 413, 80th Congress), and any required determination and findings with respect thereto has been made.

IN WITNESS WHEREOF the parties hereto have executed this contract as of the day and year first above written.

UNITED STATES OF AMERICA

By James A. Stamm
Contracting Officer
Bureau of Aeronautics,
Department of the Navy

WITNESSES:

(1) _____

GRUMMAN AIRCRAFT ENGINEERING CORPORATION
(Contractor)

(2) _____

By L. A. Swirbul
TITLE President

NOTE: In the case of a corporation, witnesses are not required but certificate below must be completed.

Bridgeham, Long Island, New York
(Business address of Contractor)

CERTIFICATE

J. A. STAMM

the
that
then

L. A. SWIRBUL
President

for
and
powers.

I, J. A. STAMM, Secretary of the corporation named as Contractor in the foregoing contract, certify that I am who signed said contract on behalf of the Contractor was of said corporation; that said contract was duly signed and is within the scope of its corporate powers.

[Signature]
(Signature of person certifying)

(CORPORATE SEAL)

DECLASSIFIED
Authority AND 947020
3522 NARA Date 8/10/09

BILLING INSTRUCTIONS FOR CONTRACT NOs: 53-1021-c

Strict compliance with the Billing Instructions will facilitate early payment of invoices. No payment can be made, however, until the contract is returned, properly executed, to the Bureau of Aeronautics, Department of the Navy, Washington 25, D. C.

1. GENERAL: In case of conflict between the provisions of the Billing Instructions and the express terms of the contract, the express terms of the contract shall control.

2. PREPARATION OF INVOICES:

(a) CONCERNING THE GENERAL FORM OF INVOICES: Invoices are to be prepared by contractors on their regular billing forms. There is required to be stamped, printed or typewritten upon the original copy of each invoice the following certificate:

I certify that the above bill is correct and just and that payment therefor has not been received.

Contractor
By _____
Authorized Representative

Such certificate must actually appear on the original copy of the invoice—an accompanying, annexed or separate certificate will not be acceptable—and must be signed in the name and on behalf of the Contractor by an authorized representative.

(b) CONCERNING ASSIGNMENTS: Notwithstanding an assignment of money claims pursuant to authority contained in the contract, the Contractor—not the assignee—is required to prepare invoices. Where such an assignment has been made, the original copy of the invoice must refer to the assignment and must show that payment of the invoice is to be made directly to the assignee, as follows:

Pursuant to the instrument of assignment, dated _____, make payment of this invoice to (name and address of assignee).

Contractor
By _____
Title

3. MARKING OF SHIPPING CONTAINERS:

The following information must plainly appear on all shipping boxes or containers:

- (1) Name of Contractor
- (2) Name and Address of Consignee
- (3) Contract Number Preceded by NOs Symbol
- (4) Contents (only if contract is unclassified):
 - (a) Item or Items
 - (b) Identification or Model Designation of Item or Items
 - (c) Quantity of Each Item or Items

4. SUBMISSION OF INVOICES AND STATE OF PAYMENT:

Invoices and any required supporting statements or certificates, each showing the contract number, are to be submitted by the Contractor to the Supervisory Cost Inspector, Eastern Area, Brooklyn, New York, with as many copies thereof as are

NAVAFB-2005A (8-48)

DECLASSIFIED
Authority AND 947020
3944 NARA Date 3/16/09

BILLING INSTRUCTIONS FOR CONTRACT NOas 53-1021-c

required by the said Supervisory Cost Inspector, for review and for the preparation and certification of public vouchers, whereupon the interim public vouchers will be forwarded to the cognizant Naval Inspector, for further review and certification as to receipt and acceptance, and thereafter will be forwarded to the U. S. Navy Regional Accounts Office, Third Naval District, Brooklyn, New York, for payment. The final voucher will be forwarded by the Supervisory Cost Inspector to the Bureau of Aeronautics.

5. If this contract is classified Restricted, Confidential, or Secret, invoices submitted under the contract shall be prepared so that the supplies or services covered thereby can be identified only reference to the contract. For example, the invoice may state "Contract N , Item 2, 100 @ \$1.00 = \$100.00". Security classification shown on the contract shall not appear on the invoices.

DECLASSIFIED

Authority AND 947020
NARA Date 8/10/09

Contract NOs 53-1021-c

DEPARTMENT OF DEFENSE		1. DATE 26 March 1953	2. SHEET # OF SHEETS
SECURITY REQUIREMENTS CHECK LIST			
3. U.S. CONTRACT OR TASK NO. NOs 53-1021-c		4. HIGHEST CLASSIFICATION INVOLVED IN THIS CONTRACT RESTRICTED	5. CONTRACTOR'S NAME Grumman Aircraft Engineering Corporation
7. THIS SHEET PERTAINS TO <input checked="" type="checkbox"/> AN END ITEM <input type="checkbox"/> A COMPONENT		6. CLASSIFICATION OF END ITEM OR COMPONENT (as checked in preceding item) RESTRICTED	8. CONTRACTOR'S ASSIGNED NO.
9. NO. OF APPENDAGES INCLUDED None			
10. THIS SHEET REFERS TO (Enter nomenclature, drawing reference or other adequate identification of End Item or component covered) F4U-6 aircraft modified as a flexible deck test vehicle			

BLOCK	CLASSIFICATION OF	TOP SECRET	SECRET	CONFIDENTIAL	RESTRICTED	UNCLASSIFIED	
1	CONTRACT OR TASK DOCUMENTS				X		
2	MODEL DESIGNATION, NOMENCLATURE, OR IDENTIFYING DESCRIPTION OF ITEM OR TASK				X		
3	SPECIFICATIONS				X		
4	DESIGN INFORMATION (Engineering notes, computations, etc.)				X		
5	DRAWINGS OR SKETCHES:						
	A - COMPLETE SET				X		
	B - OF PAGES					X	
	C - OF TOOLING					X	
	D - OF TEST EQUIPMENT				X		
	E - OF INSTALLATION OR ASSEMBLY				X		
	F - SKETCHES DESCRIBING PRINCIPLE INVOLVED				X		
6	PHOTOGRAPHS				X		
	A - INTERNAL, CUTAWAY OR EXPLODED VIEWS				X		
	B - EXTERNAL VIEWS				X		
	7	PRODUCTION AND PROCUREMENT INFORMATION					
		A - NUMBERS TO BE PRODUCED					X
		B - DATES OF DELIVERY					X
		C - ITEMS ON HAND				NA	
D - OVERALL DOLLAR OR UNIT COST				X			
E - RAW MATERIAL USAGES					X		
F - LIST OF SUB-CONTRACTORS					X		
G - SPECIALIZED MANUFACTURING TECHNIQUES					X		
H - OTHER						X	
8	REPORTS						
	A - STATUS AND PROGRESS						
	B - TECHNICAL						
C - OTHER							
(Classify according to contents)							
9	MANUALS, HANDBOOKS, ETC.						
	A - MAINTENANCE				NA		
B - OPERATIONAL					NA		
10	PERFORMANCE INFORMATION AND TESTS						
	A - TESTS				X		
	B - TEST DATA				X		
	C - MILITARY PERFORMANCE OR OPERATIONAL CHARACTERISTICS				X		
D - OTHER					X		

DD FORM 254 FEB 52

PREVIOUS EDITIONS OF THIS FORM ARE OBSOLETE.

DECLASSIFIED
 Authority AND 947020
 NARA Date 8/1/09

BLOCK	CLASSIFICATION OF	TOP SECRET	SECRET	CONFIDENTIAL	RESTRICTED	UNCLASSIFIED
11	WRITTEN OR ORAL REFERENCE TO					
	A - CONTRACTOR					
	B - NOMENCLATURE					
	C - U.S. CONTRACT NUMBER				X	
	D - U.S. CONTRACT NO. AND CONTRACTOR					X
	E - NOMENCLATURE AND CONTRACTOR				X	X
	F - U.S. CONTRACT NO. AND NOMENCLATURE				X	
	G - U.S. CONTRACT NO., NOMENCLATURE AND CONTRACTOR				X	
12	MANUFACTURING AIDS					
	1 - MODELS				X	
	2 - MOCK-UPS				X	
13	NAME PLATES, UNATTACHED OR ON ORDER.				NA	
14						
15						
16						

17 CLASSIFICATION OF ASSEMBLY WORK IS DETAILED ON APPENDAGES AS FOLLOWS			
	ITEM OR COMPONENT (Describe)	SEE CHECK LIST SHEET NUMBER	SEE APPENDAGE NUMBER
A			
B			
C			
D			
E			
F			

DECLASSIFIED
 Authority AND 947028
 3922 NARA Date 5/10/09

REMARKS:

If any conflict exists between basic FOT-6 DD-254 and this security check list, higher security classification applies.

/s/ E. C. HERN
for L. T. McQuiston
Commander, USN
BuAer Security Officer
30 MAR 1953

ABOVE SECURITY REQUIREMENTS APPROVED BY DEPARTMENT OF DEFENSE REPRESENTATIVE

NAME AND TITLE (Typed) LCDR J. Ferris SI Division Security Officer	SIGNATURE /s/ John J. Farley, LCDR/ for	
BUREAU OR OFFICE Bureau of Aeronautics	DEPARTMENT Department of the Navy	CODE SI-13

DECLASSIFIED

Authority AND 947026
NARA Date 5/10/29

INSTRUCTIONS

The Security Requirements Check Lists will be prepared by the CONTRACTING activities of the Department of Defense to indicate the security classifications assigned to the various documents, materials, tasks, subcontracts, and sub-components of classified prime and sub-contracts. It requires the contracting activities to assign the necessary security classifications to the various phases of a classified contract or task and to indicate such security classifications in the appropriate column.

2. OVERCLASSIFICATION SHALL BE AVOIDED. The prime purpose of the Check List is to reduce security clearance requirements and at the same time preserve a proper safeguarding of classified matter. The Check List is further intended to eliminate the concept that a security classification assigned to a classified contract or task applies equally to all phases of such contract or task. This analysis of security classification by components informs the contractor, sub-contractor and Department of Defense activities of the specific information which is classified and the degree of security protection required. The lowest security classification consistent with adequate security protection of the information concerned should be assigned.

The notation on this Check List that any item is unclassified does not constitute authorization for the release of that item, or information concerning it, to the public.

3. The Check List, consisting of a single sheet or multiple check list sheets with appendages, will be prepared by the Department of Defense activity responsible for the award or approval of each prime and sub-contract involving classified security information. The responsibility for the preparation of the Check List will be that of the Contracting Officer. The physical preparation thereof will be made by the engineering staff thoroughly familiar with the security requirements of the contract or task.

4. Contractors will consult with local Department of Defense representatives of the contracting activity concerning any questions of the detailed security requirements to include the security classifications of subcontracts, if required.

5. Amendments or changes in the original contract, or task or sub-contract, shall be classified in accordance with their contents and not necessarily in accordance with the security classifications contained in the original Check List(s).

6. Check List sheets of components will be reproduced by the contractor and furnished sub-contractors who are processing components.

7. The use of asterisks is recommended when amplification of a block heading or line is desired. Additional spaces on the form are provided for security classifications of items which cannot be properly assigned to standard items listed on the check lists.

8. Should the descriptions (Item 10 of heading or in Block 17) be determined to be classified by Reference to Block 2, or any other item, the Check List sheet will be classified accordingly.

9. PROCEDURES FOR PREPARATION OF CHECK LIST SHEETS.

a. HEADING: Item 1 - Self-explanatory.

Item 2 - Insert the total number of Check List sheets used, upon the completion of the classification analysis. (Example: If Check List sheets were prepared covering End Items and 4 components, fill in on last Check List sheet "Sheet 4 of 4 Sheets.")

Items 3, 4 and 5 - Self-explanatory.

Item 6 - The contractor will insert the identifying number he may assign to the contract, if any.

Item 7 - Check the applicable one of the two blocks provided.

Item 8 - Self-explanatory.

Item 9 - Write in the number of appendages to this CHECK LIST SHEET. (The Appendages will be identified by using Check List sheet number-hyphen-letter.)

Item 10 - Identify Item or Component. In this particular Check List sheet, refer to Block 2, the description of the component is found to be classified. The particular Check List Sheet should also be classified.

b. BLOCKS: (Body of Form) Block 1 - Refers to documents only. "Task" is a Department of Navy designation of an element or phase of a contract.

Block 2 - Refers to a description of the particular End Item or Component under analysis.

Block 3 - Refers to specifications (or technical requirements) prepared by Contractor or furnished by the Contracting Officer.

Block 4 - Self-explanatory.

Block 5 (NOTE: This also includes sketches which the Navy refers to as "Plans".) - A complete set of drawings will be classified at least to the highest security category of an individual drawing within the set. When an individual drawing is withdrawn from the set, the security classification shall be that upon the drawing; PROVIDED the legend or other markings on the drawing do not reveal information of any description that carries a higher classification. A complete set of drawings may be classified higher than the highest security category of an individual drawing within the set. Sketches will be classified, according to corresponding drawings in the complete set.

Block 6 - Self-explanatory.

Block 7 - If desired, a line may be drawn across the heading of this block line in order to give a single over-all classification of all individual items in this block. If this is done, it will also be necessary to designate the security classification of the individual lettered sub-line.

8. This line should be filled out to assist the contractor in resolving any doubt as to classification. It will normally be "UNCLASSIFIED".

9. Refers to processes and manufacturing techniques employed by the Contractor. If the Contractor considers certain phases of manufacturing technique contain "proprietary processes", he should recommend an appropriate classification, usually CONFIDENTIAL.

Block 10 - Self-explanatory.

Block 11 - Includes manuals, handbooks, catalogues, etc., prepared by the contractor.

Block 12 - Self-explanatory.

Block 13 - The items A, C and D should normally be "UNCLASSIFIED".

Blocks 14 and 15 - Self-explanatory.

Blocks 16 and 18 - To be used when additional space is required.

Block 17 - This block is intended to be a bibliography of all Check List sheets and appendages pertaining to the contract involved.

Block 19 - Self-explanatory.

APPENDAGE TO SECURITY REQUIREMENTS CHECK LIST, DD FORM 254-1. This supplement form of the Check List is of utmost importance. The proper assignment of security classification "WITHOUT TALLY COUNT" and "WITH TALLY COUNT" will materially assist the Contractor (and sub-contractors) in determining the number of personnel working on assembly lines, who will require clearance (see Note 1 of Appendage form). Unless a careful analysis of the security features of assembly work is made, the possibility of overclassification will likely occur with the result that impairment of production schedules will be caused by unnecessary clearance requirements. STUDY THE NOTES. ADD OTHER EXPLANATORY NOTES WHEN DEEMED APPROPRIATE. TO THOROUGHLY ACQUAINT THE CONTRACTOR WITH THE SECURITY CLASSIFICATION REQUIREMENTS.

DECLASSIFIED
Authority NND 947026
392 L NARA Date 8/10/09

Instructions for Execution of
Bureau of Aeronautics Contracts

The following instructions have been prepared for the execution of Bureau of Aeronautics contracts. Careful compliance therewith is requested in order to avoid delay.

1. Since execution pages are adaptable for use by individuals, partnerships or corporations, the contract should be signed in accordance with the instructions below, as applicable. The names of all persons signing this contract, including any witnesses, should be typed or printed below their signatures. In every case the title or designation of the person executing the contract should be typed or printed on the line beginning "Title".

(1) Individual

The contract should be executed, by the contractor, in the presence of two (2) competent witnesses who should affix their signatures on the lines provided therefor. The word Owner or the words Sole Proprietor should be typed or printed on the line beginning "Title". If the individual executing this contract is a person other than the proprietor, it will be necessary to submit a Power of Attorney authorizing such signature at the time the contract is returned to the Bureau of Aeronautics.

(2) Partnership

The contract should be executed by a General Partner in the presence of two (2) competent witnesses who should affix their signatures on the lines provided therefor. If the contract is so executed, the words General Partner should be typed or printed on the line beginning "Title". If the individual executing the contract is not a General Partner, it will be necessary to submit a certified copy of the Articles of Partnership or a Power of Attorney showing his authority to sign on behalf of the partnership at the time the contract is returned to the Bureau of Aeronautics.

(3) Corporation

The contract should be executed on behalf of the corporation by a duly authorized officer and certified under the corporate seal by the Secretary or an Assistant Secretary in the certification form provided for such purpose. Witnesses will not be required.

Encl (2)

DECLASSIFIED

Priority ANN 94702X
NARA Date 5/10/79

TO
DEPARTMENT OF THE NAVY
Bureau of Aeronautics
Washington 25, D. C.

Recd 7/8/54

Aer-CT-423
NOas 53-1021-c

CONTRACT NUMBER: NOas 53-1021-c
AMENDMENT NUMBER: 1
APPN: 1741502.10 Aircraft and
Facilities, Navy, 1954
Account 46800
BuControl No. 17/00000
Program 400A, O/C 099

CONFIDENTIAL

From

Grumman Aircraft Engineering Corporation
Bethpage, Long Island, New York

18 JUN 1954

012079

Gentlemen:

Contract NOas 53-1021-c is hereby amended as follows:

1. Under Section A, "Articles to be Furnished and Estimated Cost and Fee", designate Items 1, 2, 3 and 4 as Items 1, 2, 3 and 4, Lot I, and add the following:

<u>Item</u>	<u>Articles or Services</u>	<u>Total Estimated Cost</u>
<u>LOT II</u>		
5	Design and manufacture of four (4) standard length arresting hooks with wire releasing features, including failing load test to destruction of one (1) hook, for F9F-7 flex-deck aircraft.	\$12,624.00
6	Design and manufacture of four (4) short length arresting hooks with wire releasing features, including static test to destruction, of one (1) hook	11,062.00
7	Study, design and fabrication of pilot harness as protection against combined arresting and vertical "g" forces.	8,932.00
8	Studies, design and installation of self-contained handling wheels in one modified F9F-7 (Bureau No. 130862 or 130863)	32,351.00
Total Estimated Cost, Lot II		\$64,969.00
Fixed Fee		4,425.00
Total Estimated Cost		
Plus Fixed Fee, Lot II		\$69,394.00

4070932

1/entry 53-1021-c
(CT4)

CONFIDENTIAL

- 1 -

ORIGINAL EXECUTED DOCUMENT

Reg. 6-80

Aer-CT-423
NOas 53-1021-c

CONTRACT NUMBER: NOas 53-1021-c
AMENDMENT NUMBER: 1

C O N F I D E N T I A L

012079

2. Under Section B, "Deliveries", designate Items 1, 2, 3 and 4 as Items 1, 2, 3 and 4, Lot I, and add the following:

Items 5, 6, 7 and 8, Lot II - The work to be performed hereunder shall be completed at the Contractor's plant, Bethpage, Long Island, New York, in accordance with the following schedule:

<u>Item</u>	<u>To be completed</u>
5	During the month of October 1954
6	During the month of November 1954
7	During the month of September 1954
8	During the month of March 1955

3. Under Section C, "Description of Items and Specifications"; designate Items 1, 2, 3 and 4 as Items 1, 2, 3 and 4, Lot I and add the following:

Items 5, 6, 7 and 8, Lot II - The specifications for Items 5, 6, 7 and 8, Lot II shall be in accordance with Enclosure (1) to Grumman Aircraft Engineering Corporation letter, Serial #454-814E, dated 21 April 1954 to the Chief, Bureau of Aeronautics.

This amendment increases the total estimated cost of the contract by \$64,969.00, the fixed fee by \$4,425.00 and the total estimated cost plus fixed fee by \$69,394.00.

You are hereby authorized to proceed with performance of the work set forth in this document, on the basis of the terms and conditions set forth herein and in the basic contract.

Unless you unconditionally sign this document, the Government will not be under any contractual obligation to you in connection with performance of the work set forth herein.

C O N F I D E N T I A L

- 2 -

DECLASSIFIED

Authority AIND947020
R. L. KARA Date 8/10/89

NAVAER-1825 (Rev. 8-48)

CONTRACT NO.
NOas 53-1021-c
AMENDMENT NO. 1

This negotiated amendment is made pursuant to the provisions of Section 2(c) [] of the Armed Services Procurement Act of 1947 (Public Law 413, 80th Congress), and any required determination and findings with respect thereto has been made.

If the foregoing is acceptable to you, please sign the acceptance form at the bottom of the enclosed two (2) copies of this letter and return them to the Bureau of Aeronautics, whereupon this letter and your acceptance thereof will constitute this an amendment to the above numbered contract.

Sincerely yours,

012079

[Signature]
Dr. N. W. WISEHAUER
Contracting Officer, Capt. USN
Bureau of Aeronautics
Department of the Navy

ACCEPTED

WITNESSES:

GRUMMAN AIRCRAFT ENGINEERING CORPORATION
(Contractor)

(1) _____

By *[Signature]*
E. Clinton Towle

(2) _____

TITLE Vice President

NOTE: In the case of a corporation, witnesses are not required but certificate below must be completed.

CERTIFICATE

I, J. A. STAMM, certify that I am
the Secretary of the corporation named as Contractor in the foregoing amendment;
that E. CLINTON TOWLE who signed said amendment on behalf of the Contractor was
then Vice President of said corporation; that said amendment was duly signed
for and in behalf of said corporation by authority of its governing body and is within the scope of its corporate
powers.

[Signature]
(Signature of person certifying)

(CORPORATE SEAL)

ROUTE SHEET NAVFORM 1041 (REV. 5-61)

CONFIDENTIAL

DIVISION	RTG. & ACT.	DATE RECD. RELD.	INIT.	DIVISION	RTG. & ACT.	DATE RECD. RELD.	INIT.	DIVISION	RTG. & ACT.	DATE RECD. RELD.	INIT.
CHIEF OF BUWER (AER)				AGRO. STUS. GP. (AGR)				ASS'T CHIEF FOR INTL. & SERVICES (4)			
AIDR (A)				AIRBORNE EQ/CP. (AEI)				EXECUTIVE DIRECTOR			
INSP. GENERAL (IG)								CONTRACTS (CT)			
ASST. RES. TRA. (SRT)				AIRCRAFT (AC)				PT 4-23 X			
SMALL BUS. SP (SBI)								27 4-24			
DEPUTY & ASS'T CHIEF OF BUREAU (1)				ARMAMENT (AR)				01 4-22			
ADMINISTRATIVE OFFICE (AO)								INDUSTRIAL PL. (IP)			
				AIRFRAME DESIGN (ADI)				MAINTENANCE (MA)			
OFFICE SERVICES (OS)				ELECTRONICS (EL)							
AIRCRAFT LOG (AL)											
COUNSEL (CO)				EVALUATION (EV)							
FISCAL (FI)				EXP. PROGRAM (EP)				PHOTOGRAPHIC (PH)			
PERSONNEL (PE)				GUIDED MISSILES (GM)				PRODUCTION (PD)			
				POWER PLANT (PP)				PUBLICATIONS (PB)			
PLANS COORD. (PC)				RESEARCH (RS)				QUALITY CONTROL (QC)			
ASS'T CHIEF FOR RES. & DEVEL. (2)				SHIP INSTALL. (SI)				SHORE ESTAB. (SE)			
EXECUTIVE DIRECTOR				TECHNICAL DATA (TD)				SUPPLY (SU)			
EXECUTIVE ASST.								PATENT COUNSEL (PL)			
SPECIAL ASST.								USAF LIAISON			
AWM LIAISON OFFICER											
DAB (R&D) LIAISON AND TECHNICAL ASST.											
AWP LIAISON OFFICER											
SPECIAL PROJ. ASST.											
ADMINISTRATIVE ASST.											

Handwritten notes:
 27 4-23 X
 27 4-24
 01 4-22
 [Signature]

SPACE FOR ADDITIONAL ROUTINGS

RTG.	ACTION DESIRED	INIT.	RTG.	ACTION DESIRED	INIT.	RTG.	ACTION DESIRED	INIT.
	Expedite			Information and return			Prepare reply for signature of:	
	24 hour reply requested			Recommendation and return				
	Confer with			Return with information req.				

NO FURTHER ACTION NECESSARY

FILE NUMBERS

1. Add routings shall be made and changed only by Com. & File Br. All other routings shall be made in black.
2. Indicate order of routing for both incoming and outgoing correspondence by consecutive numbers.
3. X - Indicates routing requiring reply. (Place in "RTG & ACT." column. To left of column if number already inserted.)
4. 0 - Indicates routing plus copy. (Enter correspondence in mailed. (If numerical sequence desired indicate to left of column.)
5. All numerical routings must be initialed prior to mailing.
6. Indicate instructions by placing numerical routings in appropriate box in lower right hand corner.
7. This form is declassified when blank and unattached.

CONFIDENTIAL

CONFIDENTIAL

DECLASSIFIED

Authority AWD 947025
 Date 8/1/09

CONTRACT CLOSEOUT SHEET

Close

Contract Number	Date	Contractor	Scheduled Final Delivery or Comp. Date
NOas 53-1021-b	6/20/53	Grumman	

Inspector or BuWeps Rpr. Bethpage, L.I., N.Y. Tech. Section RSSH-4111

Material or Services Landing techniques arrested landing

Documents in contract file or letter/statement from cognizant BuWeps Field Representative or Technical Section certifies to the following (where applicable):

Final Voucher/Invoice submitted Y To NRAO Brooklyn, N.Y. 16 Sep 1959

All Material or Services has/have been delivered or performed satisfactorily Y

Release Required Y Submitted Y Satisfactory Y

Assignment Crs. & Refunds Required Y Submitted Y Satisfactory Y

Patent & Royalty Reports Required Y Submitted Y Satisfactory Y

If Government Furnished Equipment, disposition instructions been issued;

Special Tooling Other GFE

Accountability for Special Tooling or other GFE transferred to Contract

Proceeds from disposal of Government property have been received

Items to be priced or prices adjusted none

Unexecuted amendments none

Other Navy audit report of 1 April 1959 advised contract has been satisfactorily completed. Government-owned property was not furnished the contract for use in performance. The Contractor did not acquire any Class 1, 2 or 3 property. All property on hand at the completion of the contract has been declared by the contractor and is in process of disposition. (1) Final obligation adjustment #C-53-60 dtd 10-16-59.

17X1319.50 Prog. 400A; 17X1504.21 Prog. 110A; 1731502.10 Prog. 470A;
1741502.10 Prog. 400A

OUTSTANDING BALANCE - 0 -

Date Contract closed 2/8/61

S.A1 Lach 11/2/60

DECLASSIFIED
 Authority A1ND9470X
 BSA/NARA Date 8/10/09

APPLICATION FOR APPROVAL OF PLANS AND/OR FOR PERMIT TO CONSTRUCT A WASTE DISPOSAL SYSTEM

1. Name of Applicant: Grumman Aerospace Corporation	2. Location of Works (C,V,T): Bethpage Town of Oyster Bay	3. County: Nassau	4. Entity or Area Served: All Grumman facilities on L.I.
---	---	-----------------------------	--

5. Type of Ownership:

<input type="checkbox"/> Municipal	<input type="checkbox"/> Commercial	<input type="checkbox"/> Private-Other	<input type="checkbox"/> Authority	<input type="checkbox"/> Interstate
<input checked="" type="checkbox"/> Industrial	<input type="checkbox"/> Sewage Works Corp.	<input type="checkbox"/> Private-Institutional	<input type="checkbox"/> Federal	<input type="checkbox"/> International
	<input type="checkbox"/> Private-Home	<input type="checkbox"/> Board of Education	<input type="checkbox"/> State	<input type="checkbox"/> Indian Reservation

6. Type & Nature of Construction:

Collection System	Treatment and/or Disposal
<input type="checkbox"/> New	<input type="checkbox"/> New
<input type="checkbox"/> Additions or Alterations	<input checked="" type="checkbox"/> Additions or Alterations

7. Estimated Cost of Construction:

Collection System _____ Treatment and/or Disposal _____

8. Type of Waste: Sewage Industrial Other

Specify **Chronic Waste General** Specify _____

9. Name of Receiving Treatment Works: Industrial Waste Treatment Plant	10. Point of Discharge: Location (C,V,T) _____
	Surface Water: Name of Watercourse _____ Class _____
	Ground Water: Name of Watercourse to which ground water is tributary South Oyster Bay Class S

11. Is State or Federal Aid Applied For?
Yes - Give Project _____
No Number _____

12. Name of Design Engineer: **Robert F. Kearney** N.Y. State License No. **40766**

Address: **Dept. 301, Plant 30, Bethpage, New York** Telephone No. **575-1054**

13. Water Consumption (GPD): Present **NA** Future _____ Design Year _____

14. Population Served: Present **NA** Future _____ Design Year _____

15. Average Daily Flow for New or Existing Treatment Works (GPD): Present **75,000** Future **100,000** Design Year **2000**

16. Source of water supply (if private well; give location; type; depth and character of soil) Company Owned Wells (Attached Plot Plan)	17. Design Equivalent Population (BOD B ₅) N.A.
---	---

18. Give number, character and distance of any buildings which may be affected by the proposed treatment works NONE	19. Describe Proposed or Existing Storm Water Disposal: Collection & Disposal by Recharge Basins
---	--

Additional information must be submitted for private and institutional systems.

20. Indicate on U.S.G.S. Topographic Map exact location of sewage treatment works and adjacent buildings. Show location of all wells or other sources of water supply within 200' of the proposed works. Give description of these sources and character of soil.

21. Depth below existing ground surface which ground water is encountered 35'	22. Describe soil at site of proposed works. Give design basis and observed soil percolation data (use additional sheet, if necessary) Bank Run <div style="text-align: right;">GRUM85 GRUM AIR85</div>
---	--

NOTE: All applications must be accompanied by plans, specifications and completed Form San. 65 (appropriate portions). The submission must conform to a previously approved engineering report describing the system in detail. The plans must be stamped with the designing engineer's seal and must be of sufficient clarity and legibility to permit satisfactory microfilming. Only white prints will be accepted because of the difficulty of microfilming blue prints. There must be a blank area, at least 4" x 7", in the lower right corner of each sheet so that the approval stamp may be placed on the face of the plans.

Any deviation from the Department's standards for wastewater collection and treatment facilities must be explained in detail.

Approved plans are to be returned to: Applicant
 Engineer

If the application is signed by a person other than the applicant shown in Item 1, the application must be accompanied by a letter of authorization. Failure to comply with this provision may be grounds for the rejection of any submission.

Signatures and Official Titles: P. L. Romano
P. L. Romano, Manager
Environmental Control

Mailing Address: Grumman Aerospace Corporation
Facilities Engineering Department
Plant 30
Bethpage, L.I., New York 11714
Date of Application: May 1, 1973

REMARKS:

GRUM86

GRUM AIR86

TOB 00000113

BRIEF HISTORY OF OPERATIONS

The Grumman Aerospace Corporation, located in Bethpage, Town of Oyster Bay, County of Nassau, has had a permit to treat and discharge chromium waste water since 1949. Over the years, our facilities have been principally engaged in the manufacture of various aircraft and space vehicles.

In 1957, due to the increase in production rates, this corporation found it necessary to expand its existing Industrial Waste Treatment Plant in order to accommodate the increase in chrome contaminated wastes generated by our various manufacturing processes. This increase in flow from 60,000 to 100,000 GPD has necessitated the addition of three (3) 15,000 gallons each, redwood tanks and their associated appurtenances.

In order to update the present permit, we request the approval of the additional facilities as shown on the enclosed plan.

GRUM87

GRUM AIR87

TOB 00000114

PROCESS DESCRIPTION

"TREATMENT OF CHROME CONTAMINATED WASTE"

In the Research Progress Report dated January 22, 1948 of the Pease Laboratories, Inc., it was stated that the most feasible method for eliminating the hexavalent chromium hazard in waste water from various processes seemed to be to acidify the waste, treat it with sodium bisulfite, add a liquid caustic waste generated from another operation, remove excessive sulfite by air oxidation, allow to settle, and then drain off clear effluent at various levels to the final effluent waste discharge area. The settled sludge is then removed by pumps to sludge holding tanks for further de-watering prior to trucking the sludge to sludge drying beds before removal to Town operated land fill area (this sludge is inert chromium hydroxide).

This method of treatment has proven from the outset to be practical, economical, efficient and totally acceptable to all regulating authorities when applied in the batch treatment process employed at the Grumman Aerospace Corporation "Waste Treatment Facility" over the past 25 years.

In any such process and especially in this case where the amount of hexavalent chromium in the waste may vary from batch to batch, it was necessary to select rapid test equipment whereby the operator running the batch process can be sure that the treatment is adequate and according to plan, and make adjustments if necessary before any final effluent is discharged.

In the case where the amounts of hexavalent chromium are expressed in parts per million and where it is necessary to reduce the chromate content of the effluent to 0.10 PPM or less, the Hach method for testing is the most practical and reliable and is presently used to determine quantity of Cr^{+6} and total chromium in the final effluent. The results of this test method is also acceptable to all regulatory agencies.

GRUM88

GRUM AIR88

TOB 0000115