

Additional Purchase Order Terms And Conditions
Basic Ordering Agreement For Supplies/Services For
Various Foreign Aircraft Programs
(Prime Contract No. N00019-95-G-0050)

All of the additional terms and conditions set forth below are incorporated in and made part of this Order. Any conflict between any of the conditions contained in this form and those appearing on Northrop Grumman Purchase Order Terms and Conditions shall be resolved in favor of the conditions in this form.

I. Changes To Purchase Order Terms and Conditions

- A. The November 1995 version of the DoD FAR Supplement 252.227-7013 clause applies to this Order.
- B. The following changes are made to the clause titled "FARS/DFARS Provisions/Clauses":

1. Add the following FAR clause:

FAR

52.222-29 Notification of Visa Denial

2. Add the following DFARS clauses:

DoD FAR Supplement

252.225-7027 Restriction on Contingent Fees for Foreign Military Sales

252.225-7036 North American Free Trade Agreement Implementation Act

252.239-7000 Protection Against Compromising Emanations

II. ADDITIONAL CONDITIONS

A. ECONOMIC REPAIRABILITY

Limitation on Articles to be Serviced:

The Seller shall not begin servicing of any article(s) where the total costs of servicing (labor and parts) is reasonably expected to exceed eighty percent (80%) of the item Seller's most recent selling price of that item based on a spares replacement of a new article in a configuration similar to the configuration of the article to be serviced.

Furthermore, whenever it becomes apparent, prior to the submission of the quotation for servicing, that an article being serviced will need servicing, the cost of which will exceed the foregoing figure, the Seller will discontinue the servicing of such article. In either of the foregoing events, the Seller shall promptly advise Grumman of the estimated cost of servicing such article.

The Seller will subsequently be advised by Grumman if the article is to be serviced notwithstanding that the price for such servicing will exceed the figure above, or if the determination is that servicing is to be discontinued. If the servicing is to be discontinued, the Order will be amended to compensate the Seller for services performed and parts furnished.

C. ENVIRONMENTAL CONTROLS (NAVAIR 5252.223-9500)

FOR CONTRACTS, OR SUBCONTRACTS PERFORMED WITHIN THE JURISDICTION OF THE SAN DIEGO, CALIFORNIA AIR POLLUTION CONTROL DISTRICT (IMPLEMENTED PURSUANT TO STIPULATED CONDITIONAL ORDER OF ABATEMENT [PETITION NO. 1371] ISSUED BY THE SAN DIEGO, CALIFORNIA AIR POLLUTION CONTROL DISTRICT AND AGREED TO BY THE NAVY):

Notwithstanding that the contract may require the use of paints or coatings which do not meet state or district requirements for reduced volatile organic compounds (VOC'S), the seller must comply with all federal, state, and local regulatory requirements respecting air quality and emission limitations. It remains the Seller's responsibility to meet the requirements for reduced VOC's even where to do so will require the use of engineering controls or other special painting equipment.

D. PROVISIONAL ACCEPTANCE

1. If at the delivery date stated herein the supplies are not complete or otherwise are not in conformity with the requirements of this Order, Buyer

may, nevertheless, direct their delivery and may provisionally accept them upon such inspection of the supplies as Buyer shall deem appropriate. Provisionally accepted supplies shall be completed or otherwise brought into conformity with Order requirements by Seller at Seller's expense and as directed by Buyer. Alternatively, Buyer may elect to either perform such work at Seller's expense or to retain the non-conforming supplies, in which event the price shall be equitably reduced.

2. If supplies are otherwise ready for delivery hereunder prior to completion of the qualification tests required by this order or by any prior order with Seller for supplies of the type to be delivered hereunder, Buyer may nevertheless direct the Seller to deliver such supplies and may provisionally accept such supplies upon (1) satisfactory completion by Seller of the acceptance tests for the supplies concerned, and (2) such other inspection of the supplies as Buyer may deem appropriate. In the event that supplies have been provisionally accepted hereunder, Seller shall, as a condition precedent to final acceptance, be obligated to complete such qualification tests successfully and to incorporate in all such supplies at no increase in Order price, (1) all corrections of a type required to pass qualification tests, and (2) replacement for non-approved, non-standard parts.
3. Pending final acceptance of supplies which have been provisionally accepted, Buyer may, in its discretion, withhold such portion of the Order price as may be appropriate.
4. Nothing in this clause shall affect the Seller's obligation under other clauses of this Order.