

A. INCORPORATION OF THE FEDERAL ACQUISITION REGULATION (FAR) AND THE DEPARTMENT OF DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT (DFARS)

The FAR and DFARS clauses referenced below are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable, including any notes following the clause citation, to this Contract. If the date or substance of any of the clauses listed below is different from the date or substance of the clause actually incorporated in the Prime Contract referenced by number herein, the date or substance of the clause incorporated by said Prime Contract shall apply instead. The Contracts Disputes Act shall have no application to this Contract, and nothing in this Contract grants SELLER a direct claim or cause of action against the U.S. Government. Any reference to a "Disputes" clause shall mean the "Disputes" clause of this Contract. SELLER shall include in each lower-tier subcontract the appropriate flow down clauses as required by the FAR and FAR Supplement clauses included in this Contract.

B. GOVERNMENT SUBCONTRACT

(a) This Contract is entered into by the parties in support of a U.S. Government contract.

(b) As used in the FAR and DFARS clauses referenced below and otherwise in this Contract:

1. "Commercial product" means any such product as defined in FAR 2.101.
2. "Commercial service" means any such service as defined in FAR 2.101.
3. "Commercially available off-the-shelf (COTS) item" means a COTS item as defined in FAR 2.101
4. "Contract" means this contract.
5. "Contracting Officer" shall mean the U.S. Government Contracting Officer for LOCKHEED MARTIN's government prime contract under which this Contract is entered.
6. "Contractor" and "Offeror" means the SELLER, which is the party identified on the face of the Contract with whom Lockheed Martin is contracting, acting as the immediate subcontractor to LOCKHEED MARTIN.
7. "Prime Contract" means the contract between LOCKHEED MARTIN and the U.S. Government or between LOCKHEED MARTIN and its higher-tier contractor who has a contract with the U.S. Government.
8. "Subcontract" means any contract placed by SELLER or lower-tier subcontractors under this Contract.

C. INDEMNITY

SELLER shall indemnify and hold LOCKHEED MARTIN harmless from and against any cost, price reduction, withholding, offset, penalty, interest, claim, demand, determination of unallowability, unallocability or unreasonableness, or any other civil, criminal, or administrative liability, whether arising under statute, regulation, contract or common law, and shall reimburse LOCKHEED MARTIN for all of its damages and associated costs, including reasonable attorney fees and other expenses, if said liability is attributable to the SELLER or SELLER's suppliers' failure to comply with these U.S. Government Provisions and Clauses.

D. AMENDMENTS REQUIRED BY PRIME CONTRACT

SELLER agrees that upon the request of LOCKHEED MARTIN it will negotiate in good faith with LOCKHEED MARTIN relative to amendments to this Contract to incorporate additional provisions herein or to change provisions hereof, as LOCKHEED MARTIN may reasonably deem necessary in order to comply with the provisions of the applicable Prime Contract or with the provisions of amendments to such Prime Contract. If any such amendment to this Contract causes an increase or decrease in the cost

of, or the time required for, performance of any part of the Work under this Contract, an equitable adjustment shall be made pursuant to the "Changes" clause of this Contract.

E. PROVISIONS OF FAR/DFARS INCORPORATED BY REFERENCE

The FAR/DFARS clauses listed herein are applicable to this Contract if required under the pertinent law or regulation. If the applicability condition(s) in the relevant law or regulation is(are) not met, or LOCKHEED MARTIN does not require information or data from SELLER to satisfy its obligations, the clause is not applicable to this Contract. The applicability statements, statutory references, and regulatory references set forth in the parentheses, if any, after each clause below are for convenience only.

Type	Clause No.	Title	Date	Modifications
FAR	252.228-7001	Ground and Flight Risk.	JUN-10	The following is added at the beginning of the clause: "Communications between Seller and the Government shall be made through Lockheed Martin. Any equitable adjustment provided for this clause shall be implemented in this contract to the extent such adjustment is implemented in the prime contract." In paragraph (a) references to "contract" or "contract Schedule" in the definitions for "aircraft", "covered aircraft" and "flight" means "the prime contract." Paragraph (f) is inapplicable in subcontracts for commercial products or commercial services. Any provisions within this clause relating to assumption of risk by the Government are not applicable to Seller unless this contract includes language stating the Government has agreed to assume such risk of loss. Clause does not apply in subcontracts with Federal Aviation Administration (FAA) part 145 repair stations performing work pursuant to their FAA license.