

**APPENDIX 7 ADDITIONAL TERMS AND CONDITIONS TO APPENDIX "A," 26<sup>TH</sup> SERIES, FOR SERVICES UNDER A U.S. GOVERNMENT PRIME CONTRACT**

1. Add the following clause to Article 1, "Definitions."

"Services" includes services performed, workmanship, and material furnished or used in the performance of services.
2. Substitute the following clause for Article 6, "Warranty."
  6. WARRANTY:
    - (a) "Acceptance," as used in this clause, means the act of an authorized representative of Buyer by which Buyer assumes for itself, or as an agent of another, ownership of existing and identified supplies, or approves specific Services, as partial or complete performance of this PO. 'Correction,' as used in this clause, means the elimination of all defects.
    - (b) Notwithstanding inspection and acceptance by Buyer or any provision concerning the conclusiveness thereof, Seller warrants that all Services performed under this PO will, at the time of acceptance, be free from defects in workmanship and conform to the requirements of this PO. Buyer shall give written notice of any defect or nonconformance to Seller within twelve (12) months from the date of acceptance by Buyer, or, in the event Seller performs a service on an item which will be delivered by Buyer to its customer, than twelve (12) months from the date of delivery to Buyer's customer. This notice shall state either (1) that Seller shall correct or reperform any defective or nonconforming Services, or (2) that Buyer does not require correction or reperformance.
    - (c) If Seller is required to correct or reperform, it shall be at no cost to Buyer, and any Services corrected or reperformed by Seller shall be subject to this clause to the same extent as work initially performed. If Seller fails or refuses to correct or reperform, Buyer may, by contract or otherwise, correct or replace with similar Services and charge to Seller the cost occasioned to Buyer thereby, or make an equitable adjustment in the price of this PO.
    - (d) If Buyer does not require correction or reperformance, Buyer shall make an equitable adjustment in the price of this PO.

- (e) Year 2000 compliant, as used in this clause, means that with respect to information technology, that the information technology accurately processes date/time data (including but not limited to, calculating, comparing, and sequencing) from, to, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations, to the extent that other information technology, used in combination with the information technology being acquired, properly exchanges date/time data with it.

Any and all products provided hereunder will be Year 2000 compliant at the time of delivery to Lockheed Martin Corporation (Lockheed Martin), including but not limited to accurately inputting, storing, manipulating, comparing, calculating, updating, displaying, outputting, and transferring such dates and data unless otherwise expressly provided herein by Lockheed Martin.

This provision takes precedence over all other provisions of this agreement with respect to Year 2000 compliance. In the event of a discovery of any non-compliance, either before, concurrent with, or subsequent to delivery of a good or service under this agreement, the discovering party shall notify the other party within five (5) business days of discovery. If the defective good or service is being presented for acceptance or has already been delivered, at Lockheed Martin's option, the defective good or service shall be repaired or replaced within ten (10) business days of such notice at no cost to Lockheed Martin.

Nothing in this provision shall be construed to limit any other rights or remedies under this contract, at law or in equity that Lockheed Martin may have with respect to Year 2000 compliance.

- (f) The rights and remedies of Buyer provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided at law, in equity, or under this PO.
3. In Article 36, "Compliance with Regulations," FAR I and FAR IIB, add 52.243-1 "Changes" with its "Alternate I (APR 1984)" if the requirement is for services, other than architect-engineer or other professional services, and no supplies are to be furnished. "Contracting Officer" means Buyer. Add 52.243-1 "Changes" with its "Alternate II (APR 1984)" if the requirement is for services (other than architect-engineer services, transportation, or research and development) and supplies are to be furnished. "Contracting Officer" means Buyer.
  4. In Article 36, "Compliance with Regulations," substitute FAR 52.246-4 "Inspection of Services -Fixed- Price" for FAR 52.246-2, "Inspection of Supplies - Fixed Price" in FAR I and FAR IIB. "Government" means Buyer except that the first time it

appears in the first sentence of Paragraph (b) and in the fourth sentence of Paragraph (b), it means Buyer and the Government (provided, however, that an inspection system accepted by the Government will be deemed acceptable to the Buyer). The provisions in the clause for access, rights to inspect, and safety protection, apply equally to Buyer and the Government.

5. In Article 36, "Compliance with Regulations," substitute FAR 52.249-4, "Termination for Convenience of the Government (Services)" for FAR 52.249-2, "Termination for Convenience of the Government (Fixed-Price)" in FAR I and FAR IIB if the requirement is for services and no supplies are to be furnished. (If the requirement is for services and supplies are to be furnished, keep FAR 52.249-2, "Termination for Convenience of the Government (Fixed-Price)" in FAR I and FAR IIB.) "Contracting Officer and "Government" mean buyer.

6. In Article 36, "Compliance with Regulations" add FAR 52.222-41:

FAR 52.222-41, "Service Contract Act of 1965, As Amended." Seller agrees to indemnify Buyer against any loss, cost, damage or liability by reason of Seller's violation of this clause.