

Modification No. 10
to
Basic Ordering Agreement No. 060704
between
Battelle Energy Alliance, LLC
and
Hewitt Associates, LLC

The parties agree to modify the BOA in the following particular(s) only:

1. Effective January 1, 2016, Article 2 – TERM OF AGREEMENT is hereby revised to extend the term of this Agreement through December 31, 2016.
2. Effective January 1, 2016, ATTACHMENT A, REQUIREMENTS DOCUMENT BENEFITS VALUE STUDY is hereby deleted and replaced with ATTACHMENT A, REVISION 01, dated January 1, 2016.
3. Effective January 1, 2016, ATTACHMENT B, ACTUARIAL CERTIFICATION is hereby deleted and replaced with ATTACHMENT B, REVISION 01, dated January 1, 2016.
4. Effective January 1, 2016, ATTACHMENT D, REVISION 10, MASTER PRICE SCHEDULE dated January 1, 2015, is hereby deleted and replaced with ATTACHMENT D, REVISION 11, MASTER PRICE SCHEDULE dated January 1, 2016.
5. Effective January 1, 2016, ATTACHMENT E, BOA GENERAL TERMS AND CONDITIONS FOR COMMERCIAL ITEMS AND SERVICES, is hereby deleted and replaced with ATTACHMENT 3, BOA GENERAL TERMS AND CONDITIONS FOR COMMERCIAL ITEMS AND SERVICES, dated January 1, 2016.

All other terms, conditions, and provisions of this BOA remain in full force and effect.

The parties have executed this Modification No. 10 which shall be effective as of the date of Hewitt Associates LLC's signature.

Hewitt Associates, LLC

By: 
Title: VP-Legal
Date: 9/6/16

Battelle Energy Alliance, LLC

By: 
Title: Procurement Specialist
Date: 03/15/2016

Digitally signed by Stefanie D. Johnston
DN: cn=Stefanie D. Johnston, o=Idaho
National Laboratory, ou,
email=Stefanie.Johnston@inl.gov, c=US
Date: 2016.03.16 15:30:46 -0600

REQUIREMENTS DOCUMENT BENEFITS VALUE STUDY

1.0 Overview

Perform a Benefit Value Study to satisfy requirements of DOE Order 350.1. A Value Study for this purpose is defined as an actuarial study which is intended to measure the relative worth of competing programs to employees regardless of the actual cost of such programs to the employer

The study is performed using a single methodology and set of assumptions to value all competing programs. By doing so, it “normalizes” all variables that impact the cost of the programs other than differences in plan design and benefit levels. Examples of variables which impact contractor costs that are “normalized” in a Value Study are: demographics, election patterns, funding practices, geographic factors, negotiated pricing, turnover and retirement rates, interest and salary increase assumptions.

A Value Study will generally be required for DOE Contractor site every 1½ to 3 years depending on site-specific requirements.

2.0 Comparator Requirements:

- 2.1 Each Value Study shall require a minimum of 15 comparators.
- 2.2 No more than 20% of such comparators will be other DOE facilities management contractors.
- 2.3 A listing of comparator companies will be provided by each DOE site.

3.0 Plan Requirements:

- 3.1 Each Value Study must include:
 - Qualified defined benefit plans
 - Qualified defined contribution and capital accumulation plans
 - Death, disability, health, and paid-time off welfare benefit programs
 - Post retirement benefit programs
 - Analysis of total benefit value and employer paid value benefit value.
 - All Value Studies must be performed in accordance with the requirements specified in the DOE Value Study Desk Manual.

4.0 Election Patterns

- 4.1 The DOE Contractor site will specify the election pattern (as the actual election pattern, a standard election pattern, the average election pattern for the participant group, or each participant’s specific election pattern). Once an alternative has been selected, the same approach should be used for all future

Value Studies so that trends may be analyzed and consistency of analysis assured.

With respect to elections within a benefit type (i.e., multiple medical and dental plans), either an assumption that everyone is enrolled in the plan with the highest participation or that gives a weighted value based on actual enrollment should be acceptable, as in practice only minor differences in value will occur.

5.0 Assumptions

- 5.1 Interest and Salary Scale: The DOE Headquarters office will issue guidance from time to time on a range of assumptions which is considered reasonable for the valuation of long-term benefit obligations as part of a Value Study. At the current time the following range of assumptions is considered a safe harbor.

Interest:	4% to 8%
Salary Scale:	2% to 5%

Assumptions should be documented in the Value Study report. Assumptions falling outside this range must be submitted with supporting rationale to the DOE/headquarters office in advance of the study.

6.0 Valuation Methodology

- 6.1 The benefit areas of Retirement, Death, Disability, Health Care and Time Off With Pay usually capture the vast majority of the benefit value for an organization. To the extent an organization has an uncommon benefit feature that may represent over 1% of the net benefit value, that benefit area should be discussed with the consultant performing the value study and noted in the Actuarial Certification.

- 6.2 Death Benefits: The value of death benefits may be limited to life insurance, or may include the value of survivor income plans, and pre-retirement death benefits under a defined benefit or defined contribution plan.

Life insurance should be valued in all Value Studies. Ancillary death benefits provided under a defined benefit plan need not be explicitly valued as long as they are not valued for any of the participants. Death benefits payable under a defined contribution plan need not be valued if a “current total value” approach, rather than a “projected value” approach is used to value the defined contribution (see a description of these approaches under the Defined Contribution section).

- 6.3 Defined Benefit Plans: A defined benefit plan includes any promise to pay a pre-determined benefit upon retirement of plan participants who meet the plan’s

eligibility criteria. The benefit is typically a function of pay and/or length of service.

The DOE is responsible for reimbursement of retirement benefits paid subsequent to contract termination for those who have earned such benefits. Therefore, the value of such benefits should be calculated on a basis consistent with the methodology for calculating the Service Cost component of the Net Periodic Pension Cost under the Projected Unit Credit Method.

A statement from the valuation actuary similar to that contained in Sample Actuarial Certification shall be considered sufficient to verify such benefits have been properly valued, absent evidence to the contrary.

- 6.4 Defined Contribution or Capital Accumulation Plans: Defined contribution programs specify a formula by which a contribution is made to an individual account for the participant which is paid out in a subsequent tax year (e.g. following retirement, termination, death or disability). The definition of defined contribution plan includes profit sharing, 401(k), and money purchase plans.

Two distinct methods are utilized by consultants to assign the value of defined contribution benefits. Either approach is acceptable as long as it is used consistently in subsequent valuations. No universal terminology has been agreed upon to describe these approaches. The terminology used in this guideline is intended to be descriptive in nature only.

The “current total value” approach assigns a value based on the expected contribution to the plan as a percentage of pay in the current year. Assumptions to election patterns for voluntary programs (e.g. 401(k)) are discussed under Assumptions in Section 5.1 of this document.

A second approach used by some consulting firms is the “projected value” approach. Under such an approach the accumulated account balance is projected using assumptions regarding contributions, interest earnings, and turnover/retirement rates. This projected account balance is then assigned a value by a process similar to a defined benefit plan. As such, portions of the defined contribution plan value may be reassigned as death benefits, disability benefits, and retirement benefits in the final report.

Some consultants will include stock purchase plans in their definition of Defined Contribution or Capital Accumulation Plans.

Other consultants include only employee stock ownership plans where all employees receive an allocation of company paid stock, or plans which match employee 401(k) contributions in stock, and do not include discounted stock purchase plans in their value study results under that theory that the discounted purchase is not a benefit per se.

ATTACHMENT A TO BOA NO. 060704
REVISION NO. 01
(01/01/16)

DOE is willing to accept either approach with respect to the inclusion/exclusion of stock purchase plans as long as it is consistent in subsequent value studies performed for the contractor.

- 6.5 Disability Programs: Disability programs include sick leave, salary continuance, short-term disability, long-term disability, and any other program which provides benefits for employees who are unable to attend work due to illness or recovery from an accident. For reporting purposes such programs may be combined into one or more subcategories or reported separately.

Disability benefits should be included in all Value Studies. Ancillary disability benefits provided under a defined benefit plan need not be explicitly valued as long as they are not valued for any of the participants. Disability benefits payable under a defined contribution plan need not be valued if a “current total value” approach, rather than a “projected value” approach is used to value the defined contribution plan (see a description of these approaches on page 4 of this document under Defined Contribution or Capital Accumulation Plans.

- 6.6 Flexible Benefit Programs: A Flexible Benefits program traditionally gives employees a pool of dollars they may use to spend on those benefits which are most desirable to them as an individual.

If any of the participating companies offer flexible benefits, the consultant should provide a description of how Flex credits impact the results of the study.

In addition, if a cash option exists for benefits waived, the consultant should disclose the impact of these “waiver credits” on the calculation of the Total Net Benefit Value.

- 6.7 Grandfathered Benefits: Employers who redesign their benefit program will occasionally choose to grandfather certain subgroups of employees in their prior benefits. Examples include grandfathering all employees hired before a specific date, or all employees who have met certain age and/or service requirements on the date of change.

If there is evidence of grandfathered benefits, the consultant should value both the current and grandfathered benefits levels. A single “Total Net Benefit Value” should be developed based on the weighted average value of the current and grandfathered benefits. The weighting is utilized to approximate the current mix of grandfathered and redesigned benefits. A simple weighting utilizing the relative proportion of grandfathered vs. non-grandfathered employees as of the beginning of the evaluation year (January 1 coincident with, or immediately preceding the evaluation year if it is other than a calendar year) may be used in lieu of specifically valuing each separate population.

ATTACHMENT A TO BOA NO. 060704

REVISION NO. 01

(01/01/16)

- 6.8 Healthcare Benefits: Health Benefits include medical and dental plans. Many plan designs may carve out pieces of the coverage under a stand-alone plan, e.g. mental health and substance abuse, vision, or prescription drugs. All significant Healthcare Benefits should be included in the Value Study.

All health benefits which could significantly impact the results of the Value Study should be included. An actuarial certification similar to that contained in Sample Actuarial Certification which states that the anticipated net benefit value of any benefit not valued in the Value Study is less than 1% of the total net benefit value, will be considered sufficient.

The consultant's valuation methodology should assign value based on the plan design parameters (e.g. deductibles, copays, limits, etc.) and not on the participants' cost of providing such benefits.

- 6.9 Paid Time Off : Paid Time Off includes vacation and holiday pay. Such programs may be administered on a stand-alone basis or as part of a combined leave policy that includes coverage for brief periods of incapacity due to illness or injuries.

Most consultants value 1 day of paid time off as the equivalent of 1/260th of projected annual base pay.

The value assigned to informal PTO programs shall be calculated in accordance with the following philosophies, as interpreted in the following paragraphs:

- The contractor's value must be substantiated by data from the contractor.
- The comparator group participants' values shall be assumed to be 0 unless utilization levels can be substantiated by actual data.

When valuing an informal PTO program of the contractor, the consultant must rely on data provided by the contractor that substantiates the average number of days taken off with pay during a recent twelve month period and shall treat such days as if they have been provided under a formal program.

When valuing the informal PTO program of one of the comparator group participants, the consultant shall assume such participant has a PTO program with 0 value, absent evidence that can be substantiated to the contrary. However, the consultant may include the average number of holidays provided under formal programs by all other members of the comparator group as a minimum level of paid time off provided by the informal program.

- 6.10 Post-Retirement Benefits: Post-Retirement Benefits for this purpose are defined as any benefit paid following retirement, excluding qualified defined benefit and defined contribution retirement and capital accumulation plans.

The DOE is responsible for reimbursement of post-retirement benefits paid subsequent to contract termination for those who have earned such benefits. Therefore if such benefits are a part of a Value Study the value for such benefits should be calculated on a basis consistent with the methodology for calculating the Service Cost component of the Net Periodic Post-Retirement Benefit Cost under the Projected Unit Credit Method.

A statement from the valuation actuary similar to that contained in Sample Actuarial Certification shall be considered sufficient to verify such benefits have been properly valued absent evidence to the contrary.

6.11 **Miscellaneous Informal Benefit Programs:** Like paid time off, other benefits may be provided through informal programs. While very infrequent, an example is an employer who pays disability benefits at the discretion of the supervisor. If such benefits are significant, they should be included in the calculation of the “Total Net Benefit Value”, and valued in accordance with the following philosophy:

- The contractor’s value must be substantiated by data from the contractor.
- The comparator group participants’ values shall be assumed to be 0 unless higher utilization can be substantiated by actual data.

Refer to the section on Paid Time Off for an example of how such a philosophy is applied in a similar context.

6.12 **Net Benefit Value:** The net benefit value is the value of the benefit as assigned by the Value Study less any employee contributions. The sum of the net benefit values for each benefit is defined as the Total Net Benefit Value. The Value Study results should express the Total Net Benefit Value of the contractor as a percentage of the mean average Total Net Benefit Value for the comparator group.

6.13 **Report:** The Value Study report prepared by the consultant serves as a mechanism to convey key information regarding the preparation and results of the Value Study.

7.0 Value Study Report Format:

- 7.1 Results must be presented in a way that shows the relative ranking of all comparators. Each organization, together with that organization’s specific benefit design features, must be identified.
- 7.2 A complete copy of the Value Study shall include the methodology used to define each benefit plan, a description of the benefits plans, a list of survey respondents, and the actuarial assumptions.

ATTACHMENT A TO BOA NO. 060704

REVISION NO. 01

(01/01/16)

- 7.3 The report shall include a description of the valuation methodology in accordance with the guidelines presented in Section 5.0, Valuation Methodology, of this document and the calculation of Total Net Benefit Value as presented in the Net Benefit Value of this document.

8.0 Value Study Certification Requirements:

- 8.1 Each completed Value Study shall include an Actuarial Certification.

ATTACHMENT B TO BOA NO. 060704

Actuarial Certification

<Insert Name of National Consulting Group> has performed a Value Study for <Insert Contractor Name> in accordance with our understanding of DOE O 350.1. Such study was performed for the benefits in effect for the plan year beginning <Insert First Day of Plan Year>. I hereby certify the following statements are true to the best of my knowledge:

- ◆ We are a national consulting group with <Insert Number> offices nationwide and in excel of \$5,000,000 revenue annually. We have the actuarial expertise necessary to perform the study as required.
- ◆ The benefits valued are those available to exempt level professional staff (non-executives) of the study participants.
- ◆ We have exercised prudent measures to validate participant data as accurately reflecting the participant's plans as of the January 1 coincident with or immediately preceding (if the evaluation year is other than a calendar year) the first day of <Insert Contractor Name> evaluation year. To the extent employees of <Insert Contractor Name> as of January 1 may be entitled to grandfathered benefits based on date of hire (or other variable), our calculations are based on the weighted average enrollment in each of the plans as of this date.
- ◆ The valuation assumptions and methodology utilized produce a reasonable projection of the value provided by the participant's benefit plans. The method of valuing retirement benefits provided under a defined benefit or other post-retirement benefit cost is consistent with the methodology used to determine the service cost component of the Net Periodic Benefit Cost under the Projected Unit Credit Method.
- ◆ We have not been requested to modify the approved study participants, data provided by the participants, our standard valuation methodology or valuation assumptions in any manner which is not required to conform with the principles set forth in DOE O 350.1., and which jeopardizes our professional independence or is intended to significantly impact a determination of compliance with the measures provided in DOE O 350.1.
- ◆ Benefits valued include all known qualified defined benefit, defined contribution retirement and capital accumulation plans, death, disability, health and paid time off welfare benefit programs. The anticipated net benefit value of any benefit not valued in our study is less than 1% of the total net benefit value. Post-retirement benefits (other than pension) <were not included in the study/were included in the study and the value was calculated on a basis consistent with the methodology for calculating the Service Cost component of the Net Periodic Post-Retirement Benefit Cost under

ATTACHMENT B TO BOA NO. 060704

FAS 106>. Benefits not included in the study which might exceed 1% are <Insert Uncommon Benefit Feature>.

- ◆ No significant benefit data was missing for <Insert Contractor Name>. For other participants, no significant benefit data was missing, or if it was, we have disclosed in our report what assumption we used to complete the data and the rationale for doing so. If we did not have sufficient data to assign a value to the missing data, an assumption was made that the participants benefit for the missing data had a net benefit value of \$0.
- ◆ The total net benefit value for <Insert Contractor Name> was calculated as (or is equivalent to) the sum of the net benefit values for each benefit provided by the contractor, divided by the arithmetic mean (average) of the sum of the net benefit values for each benefit provided for all other participants.
- ◆ <Insert statement as to the treatment of “excess flex credits” and its impact on the study results. For this purpose, define “excess flex credits” as credits granted in excess of those needed to purchase the assumed level of benefits selected. Also insert a statement as to the treatment of “waiver credits”.>
- ◆ <Include all applicable statements. If a statement does not apply, indicate what change has occurred and why. If this is the first study under DOE O 350.1 omit this item.> No change in participant group, plans valued, or valuation methodology and assumptions has occurred since the last Value Study submitted in accordance with DOE O 350.1.

Certified this <day> day of <month>, <year> by:

Name and Title

List all appropriate actuarial designations of signatory:

ATTACHMENT D TO BOA NO. 060704
Master Price Schedule

Line Item	Description	Unit Price
1	Value Study for new hire benefits, up to 15 comparator companies plus access to Hewitt Benefit SpecSelect Website	\$23,400.00 *
2	Value for additional set of benefits (such as incumbent/grandfathered benefits) added to basic study (i.e., both new hire and incumbent benefits compared against a single comparator group representing peer new hire benefits)	\$4,500.00
3	Value for additional set of benefits (such as incumbent/grandfathered benefits) <u>plus</u> use of grandfathered benefits for comparator group (i.e., new hire benefits compared against comparator group new hire benefits, and incumbent benefits compared against comparator group grandfathered benefits). Note that the peer companies would be the same as, or a subset of, the basic study new hire comparators.	\$11,700
4	Additional comparators over 15 from database	\$500.00 per company
5	“What if” Supplements	10% Discount
6	Inclusion of comparators not currently in database	\$3,150
7	Inclusion of comparators’ grandfathered data not currently in database	\$1,500
8	Corrective Action Plan Consulting or Redacted Report Preparation	10% Discount

- Reflects a discount of \$2,600.00 off the list price of \$26,000.00
- Additional cost for preparing a redacted version of report is as needed, as the report is proprietary and should not be shared outside of the contractor purchasing the study and the DOE
- Includes access to Hewitt’s Benefit SpecSelect Website which allows DOE contractors who purchase studies in 2016 to:
 - Access an electronic file of the 2016 US Salaried SpecBook, containing employee benefits programs of approximately 1,000 major U.S. employers (including approximately 60 universities).
 - Create Summary Reports (plan prevalence) for a comparator group of your choice.

Rev. 11
(01/01/16)

- Create Spec Reports (company-by-company specifications) for a comparator group of your choice.
- View or print multiple Spec Reports within a benefit category.
- Save a comparator group for reuse at any time in the future.

ATTACHMENT E TO BOA NO. 060704

BASIC ORDERING AGREEMENT

GENERAL TERMS AND CONDITIONS FOR COMMERCIAL ITEMS AND SERVICES DOE CONTRACTORS (05/01)

1. DEFINITIONS

The following terms shall have the meanings below:

- (a) Government means the United States of America and includes the U.S. Department of Energy (DOE) or any duly authorized representative thereof.
- (b) Seller means the person or organization that has entered into this Basic Ordering Agreement (BOA).
- (c) Company means any DOE Contractor and Authorized Subcontractor utilizing the BOA.
- (d) Item means "commercial items or services" and "commercial component", as defined in FAR 52.202-1.
- (e) Order means individual requests for Items or Services (hereinafter referred to as "Item") issued under this BOA.
- (f) Authorized Subcontractor means a subcontractor holding an active subcontract issued by a DOE Contractor.
- (g) BOA Procurement Representative means the person responsible for negotiating and administering the BOA
- (h) Order Procurement Representative means the person responsible for negotiating and administration of the respective Order.
- (i) Site Specific Terms and Conditions means those unique requirements of the Company issuing Orders under this BOA which will supplement these general terms and conditions.

2. ORDER OF PRECEDENCE

Any inconsistencies shall be resolved in accordance with the following descending order of precedence: (1) Item description, (2) face of the Order, (3) Site Specific Terms and Conditions, (4) face of the BOA, and (5) the BOA general terms and conditions.

3. TITLE AND ADMINISTRATION

All property rights and interests resulting from this BOA and Orders shall pass directly from Seller to the Government. Company shall make payments under Orders from funds advanced by the Government and agreed to be advanced by DOE, and not from its own assets. The Company may assign the BOA and Orders to DOE or its designee, and in case of such transfer and notice thereof to Seller, Company shall have no further responsibilities hereunder. Nothing in this Agreement precludes Seller from retaining all ownership rights, title and interest in its standard tools, templates, processes, and methodologies used in providing the items under this Agreement.

4. ACCEPTANCE OF TERMS AND CONDITIONS

Seller, by signing the BOA or Orders or delivering the Items identified therein, agrees to comply with all the terms and conditions, all specifications and all other documents that this BOA or Order incorporates by reference or attachment. Company hereby objects to any terms and conditions contained in any acknowledgment of the BOA or Order that are different from or in addition to those mentioned in this document. Failure of Company to enforce any of the provisions of the BOA or Order shall not be construed as evidence to interpret the requirements of the BOA or Order, nor a waiver of any requirement, nor of the right of Company to enforce each and every provision. All rights and obligations shall survive final performance of the BOA or any Order thereunder.

5. WARRANTY

Seller expressly warrants that Items delivered under the Orders shall be in accordance with Seller's affirmation, description, sample, or model and compliant with all requirements of the BOA and Order. The warranty shall begin upon acceptance and extend for a period of (1) the manufacturer's warranty

period or six months, whichever is longer, if Seller is not the manufacturer and has not modified the Item or (2) one year or the manufacturer's warranty period, whichever is longer, if Seller is the manufacturer, of the Item or has modified it. If any nonconformity with the Item appears within that time, Seller shall promptly repair or replace such Items or reperform services. Transportation of replacement Items and return of nonconforming Items and repeat performance of services shall be at Seller's expense. If repair or replacement or reperformance of services is not timely, Company may elect to return the nonconforming Items or repair or replace them or reprocur the services at Seller's expense. Any implied warranty of merchantability or fitness for a particular purpose is hereby disclaimed.

6. ASSIGNMENT

Seller shall not assign rights or obligations to third parties without the prior written consent of Company. However, Seller may assign rights to be paid amounts due or to become due to a financing institution if Company is promptly furnished written notice and a signed copy of such assignment. Payments to an assignee shall be subject to set off or recoupment for any present or future claims of Company against Seller.

7. NEW MATERIALS

Unless otherwise specified in the BOA or Order, all Items delivered shall consist of new materials. New is defined as previously unused which may include residual inventory or unused former Government surplus property. This does not include the use of recycled or recovered material as defined by the Environmental Protection Agency in 40 CFR 247.

8. TRANSPORTATION

Transportation shall be "FOB Origin" unless specified otherwise in the Order and no insurance cost shall be allowed unless authorized in writing on the specific Order. The bill of lading shall indicate that the transportation is for the Government and is subject to the standard Government bill of lading terms and any special rates or charges.

9. RISK OF LOSS

Where Company is liable to Seller for loss of conforming Items occurring after the risk of loss has passed to Company, Company shall pay Seller the lesser of (1) the agreed price of such Items, or (2) Seller's cost of replacing such Items. Such loss shall entitle Seller to an equitable extension in delivery schedule obligations.

10. PAYMENT

Unless otherwise provided, terms of payment shall be Net 30 days from the latter of (1) receipt of Seller's proper invoice, if required, or (2) delivery (and acceptance, if required by the Order) of Items/completion of work. Any offered discount shall be taken if payment is made within the discount period that Seller indicates. Payments may be made either by check, purchase card or electronic funds transfer, at the option of Company. Payment shall be deemed to have been made as of the date of mailing or the date on which an electronic funds transfer was made. Notwithstanding anything therein, the Company shall be entitled at any and all times to set off against any amounts payable by the Company hereunder any amount owing from Seller to the Company under Orders or any subcontracts with Seller.

11. COMPLIANCE WITH LAWS

(a) Seller shall comply with all federal, state, and local laws and ordinances applicable to Seller in its capacity as a service provider and all pertinent orders, DOE directives, rules, and regulations (including DOE regulations) that Company has made Seller aware of as part of this BOA or resulting Orders and such compliance shall be a material requirement of this BOA and resulting Orders. Seller warrants that each chemical substance constituting or contained in Items furnished under this BOA is on the list of substances published by the Administrator of the Environmental Protection Agency pursuant to the Emergency Preparedness and Community Right-to-Know Act and Toxic Substances Control Act as amended. With each delivery Seller shall provide Company any applicable Material Safety Data Sheet as required by the Occupational Safety and Health Act and applicable regulations including, without exception, 29 CFR 1910.1200.

(b) Seller shall include this clause in all subcontracts, at any tier, involving the performance of this BOA.

12. TERMINATION FOR CAUSE

(a) Only the Company issuing the BOA may terminate the BOA for cause, in whole or in part, if the Seller fails to comply with any of the terms of the BOA, or fails to provide adequate assurance of future performance. Only the Company issuing any Order may terminate the Order for cause, in whole or in

part, if Seller fails to comply with any of the terms of the Order or fails to provide adequate assurance of future performance. In either event, the Company shall not be liable for any amount for Items not accepted.

(b) If the BOA or any Order is terminated for cause, the Company may require Seller to deliver to the Company any supplies and materials, manufacturing materials, and manufacturing drawings that Seller has specifically produced or acquired for the terminated portion of the BOA or Order. The Company shall pay the agreed-upon price for completed Items delivered and accepted. The Company and Seller shall agree on the amount of payment for all other deliverables.

(c) Seller shall not be liable to Company for delays in performance occasioned by causes beyond Seller's reasonable control and without its fault or negligence.

(d) The rights and remedies of the Company in this clause are in addition to any other rights and remedies provided by law or under the BOA or resulting Order.

13. BANKRUPTCY

If Seller enters into any proceeding relating to bankruptcy, it shall give written notice via certified mail to the the BOA Procurement Representative within five days of initiation of the proceedings. The notification shall include the date on which the proceeding was filed, the identity and location of the court and a listing of the BOA and Order numbers for which final payment has not been made.

14. TAXES

Taxes shall be collected and paid in accordance with the Site Specific Terms and Conditions of the respective Order.

15. CHANGES

(a) The Company issuing the BOA reserves the right to make changes within the general scope of the BOA by issuance of a unilateral change order, or by a bilateral modification to the BOA. The Company issuing the Order reserves the right to make changes within the general scope of the Order by issuance of a unilateral change order or by a bilateral modification to the Order. Such changes may include, without limitation, changes in (1) the description of the Item, (2) the quantities of Items ordered, (3) the method of shipment or packaging, and (4) the time or place of delivery, inspection, or acceptance. The Seller shall promptly comply with any such change made by the Company. If any change affects the cost of or the time required for performance, an equitable adjustment to the price and/or delivery requirements and other affected provisions of the BOA or any Order shall be made by the parties in a bilateral modification, and Seller will not proceed with the change until such bilateral modification is agreed upon. Any claim for adjustment by Seller must be made within 30 days from the date of receipt of Company's change notice, although Company in its sole discretion may receive and act upon any claim for adjustment at any time before final payment.

(b) Only the BOA Procurement Representative is authorized on behalf of Company to issue changes whether formal or informal to the BOA. Only the Order Procurement Representative is authorized on behalf of Company to issue changes whether formal or informal- to the respective Order. If Seller considers that any direction or instruction by Company personnel constitutes such a change Seller shall not rely upon such instruction or direction without written confirmation from the BOA Procurement Representative or the Order Procurement Representative, as the case may be.

16. TERMINATION FOR CONVENIENCE

The Company issuing the BOA may, in its sole discretion, terminate the BOA, or may terminate the fabrication of all or any portion of the Items not then completed, at any time, by giving the Seller a written notice of termination. The Company issuing the Order may, in its sole discretion, terminate the order, or may terminate the fabrication of all or any portion of the Items not then completed, at any time, by giving the Seller written notice of termination. Upon receipt of a notice of termination, the Seller shall, unless the notice requires otherwise, discontinue all performance on the date and to the extent specified in the notice, and shall otherwise minimize costs to the Company. Payment for Items already completed or in the process of completion, shall be adjusted between the Seller and the Company in a fair and reasonable manner, but such payment shall exclude any allowance for the uncompleted portion of the Items, or any anticipated profits thereon. Such payment for Items already completed or in the process of completion shall be the total compensation due to the Seller for termination at will by the Company.

17. SUSPENSION

The Company issuing the BOA may, for any reason, direct the Seller to suspend performance of any part of or all of the performance of the BOA for an indefinite period of time. The Company issuing the Order may, for any reason, direct the Seller to suspend performance of any part of or all of the performance of the Order. If any such suspension significantly delays the progress of or causes the Seller additional direct expenses in the performance of the BOA or any Order, not due to the fault or negligence of the Seller, the compensation to the Seller shall be adjusted by a modification to the BOA or any Order and the time of performance shall be extended by the actual duration of the suspension. Any claim by the Seller for compensation of a schedule extension must be supported by an appropriate document asserted within ten (10) days from the date an order is given to the Seller to resume the performance of the BOA or any Order.

18. INCORPORATION BY REFERENCE

The BOA incorporates certain clauses by reference. These clauses apply as if they were incorporated in their entirety. For Federal Acquisition Regulation (FAR) provisions incorporated by reference, "Contractor" means Seller and "Contracting Officer" means the Company BOA Procurement Representative. The FAR clauses may be obtained from the Company upon request.

The following clauses are incorporated by reference:

FAR 52.219-8 Utilization of Small Business Concerns (OCT 2000)

FAR 52.222-26 Equal Opportunity (Feb 1999), (The required poster is available at: <http://www.dol.gov/dol/esa/public/regs/compliance/posters/eeo.htm>)

FAR 52.222-35 Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (APR 1998), and

FAR 52.222-36 Affirmative Action for Workers with Disabilities (June 1998)

FAR 52.227-3 Patent Indemnity

FAR 52.227-19 Commercial Computer Software

FAR 52.222-21 Prohibition of Segregated Facilities (Feb 1999)

END OF DOCUMENT