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SUBCONTRACT NO. 144

between

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

and

AEROJET-GENERAL CORPORATION

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SUBCONTRACT NO. 144

between

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

and

AEROJET-GENERAL CORPORATION

INTRODUCTION

This agreement is made and entered into by and between The Regents of the University of California, hereinafter called the "University" and Aerojet-General Corporation, hereinafter called the "Subcontractor".

The Regents of the University of California have entered into a contract, W-7405-Eng-48, with the United States Government, hereinafter called "Government," represented by the Atomic Energy Commission, for the performance of certain atomic energy research and development work at the University of California Lawrence Radiation Laboratory. This agreement is entered into in furtherance of the performance of the work provided for in the principal contract. Nothing contained herein, however, shall be construed to bind or purport to bind the United States Government, its officers or agents.

The work covered by this agreement shall be performed subject to the following terms and conditions, which the Subcontractor, in accepting the agreement, agrees to be bound by and comply with in all particulars. No other terms or conditions shall be binding upon the parties, unless accepted by them in writing. It is recognized that work hereunder will be performed by the Subcontractor at Azusa, Chino, and Downey, California.

ARTICLE I - SCOPE OF WORK

The Subcontractor shall furnish the necessary facilities, supplies, equipment and personnel, except such as are furnished by the University or the Government, to conduct certain work, the nature and extent of which are more specifically described in Appendix A hereto which is hereby made a part of this agreement, and shall also deliver such materials products, supplies and incidental services and reports as may be set forth in said Appendix A.

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ARTICLE II - TERM

The work described in Article I shall begin as required and directed by the University after receipt by the Subcontractor of a fully executed copy of this agreement and shall continue for a period not to exceed eight (8) months unless completely performed prior thereto or sooner terminated in accordance with the provisions of Article XVIII - Termination for the Convenience of the University.

ARTICLE III - ESTIMATES AND FIXED FEE

A - Initial Estimate of Cost and Fixed Fee

The presently estimated cost of the work under this agreement is Eighty-Nine Thousand, Thirty-Eight and No/100 Dollars ($89,038.00) exclusive of the Subcontractor's fixed fee. The Subcontractor's fixed fee is Seven Thousand, One Hundred Twenty-Three and 04/100 Dollars ($7,123.04). The aggregate of presently estimated cost and fixed fee is Ninety-Six Thousand, One Hundred Sixty-One and 04/100 Dollars ($96,161.04)

B - Revised Estimates of Cost

The University may by written notice to the Subcontractor revise the initial estimate of cost of the work (exclusive of the fixed fee) and from time to time further revise any revised estimate of cost.

C - Limit on Total Amount of Allowable Costs

Payments on account of costs shall not in the aggregate at any time exceed the amount of estimated costs specified in the agreement.

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D - Notice of Costs Approaching Subcontract Amount-
Subcontractor Excused Pending Increase

The Subcontractor shall notify the University in writing when the aggregate of expenditures and outstanding commitments allowable under this agreement is equal to 90% of the initial or revised estimate of cost as indicated above (or such lesser percentage as the University may from time to time establish by notice to the Subcontractor.) When such expenditures and outstanding commitments equal 100% of the estimated costs exclusive of the Subcontractor's fixed fee, the Subcontractor shall make no further commitments or expenditures (except to meet existing commitments) and shall be excused from further performance of the work, unless and until the University thereafter shall increase the estimated cost of the work in accordance with B above.

E - The University's Right to Terminate not Affected

The giving of any notice by either party under this article shall not be construed to waive or impair any right of the University to terminate the agreement under the provisions of the article entitled "Termination for the Convenience of the University".

F - Cost Information

The Subcontractor shall maintain current cost information adequate to reflect the cost of performing the work under this agreement at all times while the work is in progress and shall prepare and furnish to the University such written estimates of cost and information in support thereof as the University may request. The Subcontractor shall notify the University whenever it becomesapparent that the total cost of the agreement (exclusive of fee) will exceed the estimate of the cost of the work then currently in effect.

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G - Correctness of Estimates not Guaranteed

It is understood that neither the University nor the Subcontractor guarantees the correctness of any estimate of cost for performance of the work under this agreement and that there shall be no adjustment in the amount of the Subcontractor's fixed fee by reason of errors in the computation of estimates of difference between such estimates and the actual cost for performance of the work.

ARTICLE IV - CONSIDERATION

Payment for reimbursable costs and expenses and of the fixed fee, as hereinafter provided, shall constitute complete compensation for the Subcontractor's services, including profit and all items or kinds of expenses not allowable under the terms of this agreement.

ARTICLE V - COSTS AND EXPENSES

A - Basis for Determination of Reimbursable Costs and Expenses

For the performance of this agreement the Subcontractor shall be reimbursed for all costs incurred provided in the agreement. Costs will be reimbursed under this agreement on the basis of actual allowable costs using the principles for determination of allowability or non-allowability used by the Department of Defense in accordance with Part 2, Section XV of the Armed Services Procurement Regulations in effect as of the effective date of this subcontract as follows:

1. Material at actual cost.

2. Direct labor at actual cost.

3. Overhead at actual cost. For interim billing purposes overhead shall be reimbursed provisionally at the same rate used for billing purposes in Department of Defense cost plus fixed fee research and development contracts with Subcontractor.

4. General and administrative expense at actual cost. For interim billing purposes, general and administrative expense shall be reimbursed provisionally at the same rate used for billing purposes in Department of Defense cost plus fixed fee research and development contracts with Subcontractor.

5. Actual overhead rates as determined by the cognizant government audit agency shall be used for final payment as provided in Article VI - C - Final Payment.

B - General Requirements

1. The Subcontractor shall obtain the written approval of the University prior to the purchase of any item of materials, supplies or services, the cost of which exceeds $500.00 or the purchase of any item of equipment, the cost of which exceeds $100.00 or for any consultant services where compensation is in excess of $50.00 per day or before incurring any costs for which reimbursement shall be sought hereunder in connection with the construction of new buildings or appurtenances, building alterations or acquisitions of real property or any interest therein.

2. Salaries, wages and consultant fees, travel expenses and subsistence, including per diem allowances, applicable to personnel of the Subcontractor performing the work under this agreement shall be in accordance with established policies of the Subcontractor; provided that all travel expenses and subsistence shall require the written approval of the University.

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ARTICLE VI - PAYMENTS

A - Installments of Fixed Fee

Ninety percent (90%) of the fixed fee shall become due and payable in monthly installments in amounts based on the proportion of the work then completed, as determined by the University, and the balance upon completion and acceptance of all work under this agreement.

B - Reimbursement for Allowable Costs

Except as may be otherwise agreed upon by the parties, the University shall reimburse the Subcontractor monthly for the preceding month's costs that are allowable under Article V - Costs and Expenses.

C - Final Payment

Upon completion of the work, its acceptance by the University, completion of final audit by the Commission, and upon the furnishing by the Subcontractor of 1) a release, in such form and with such exceptions as may be approved by the University, of all claims against the University, and the Government under or arising out of this agreement; 2) an assignment of the Subcontractor's rights to any refunds, rebates, allowances, accounts receivable or other credits applicable to expenditures reimbursed under this agreement; 3) a closing financial statement; 4) the accounting for Government-owned or furnished property required by the article entitled "Property"; and 5) disclosures, if any, of information called for under any patent article provisions of this agreement, the University shall promptly pay to the Subcontractor the unpaid balance of reimbursable costs and fixed fee. In arriving at the amount due the Subcontractor under this article, there shall be deducted 1) all unliquidated payments on account theretofore made to the Subcontractor; 2) any claim which the University or the Government may have against the Subcontractor in connection with this agreement; and 3) deductions due to the termination of this agreement and not otherwise recovered by or credited to the University or the Government.

D - Claims

Claims for payment shall be accompanied by such supporting documents and justification as the University shall prescribe.

ARTICLE VII - CHANGES

A - Changes and Adjustment of Fee

The University may at any time and without notice to the sureties, if any, issue written directions requiring additional work within the scope of this agreement or directing the omission of work covered by this agreement. If any such direction results in a material change in the amount or character of the work described in the article entitled "Scope of Work", an equitable adjustment of the fixed fee shall be made in accordance with the agreement of the parties, and the agreement shall be modified in writing accordingly.

Any claim by the Subcontractor for an adjustment under this article must be asserted in writing within thirty days from the date of receipt by the Subcontractor of the notification of change, unless the University grants a further period of time. A failure to agree on an equitable adjustment under this article shall be deemed to be a dispute within the meaning of the article entitled "Disputes".

B - Work to Continue

Nothing contained in this article shall excuse the Subcontractor from proceeding with the prosecution of the work in accordance with the requirements of any direction hereunder.

ARTICLE VIII - ACCOUNTS, RECORDS AND INSPECTION

A - Accounts

Prior to making any claim for payment hereunder, the Subcontractor shall establish and maintain a set of accounts showing and supporting all allowable costs incurred, revenues earned, fixed fee accruals and the receipt, use, and disposition of all University and/or Government property coming into the possession of the Subcontractor under this agreement. The system of accounts employed by the Subcontractor shall be satisfactory to the Commission and in accordance with generally accepted accounting principles for the type of work involved.

B - Inspection and Audit of Accounts and Records

All books of account and records relating to this agreement shall be subject to inspection and audit by the University and the Commission at all reasonable times, and the Subcontractor shall afford the University and the Commission proper facilities for such inspection and audit.

C - Disposition of Records

Except as otherwise directed by the University or agreed upon by the University with the approval of the Commission, all financial and cost reports, books of account and supporting documents, and other data evidencing costs allowable and revenues accrued under this agreement in the possession of the Subcontractor relating to this agreement shall be preserved by the Subcontractor for a period of six (6) years after final settlement of the agreement or otherwise disposed of in such manner as may be agreed upon by the University with the approval of the Commission.

D - Reports

The Subcontractor shall furnish such financial, cost, and other reports concerning the work under this agreement as the University may from time to time require. The Subcontractor also shall furnish such monthly progress reports and a final report in such form and numbers of copies and to such address as and when directed in Appendix A.

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E - The University and the Commission shall have the right to inspect the work and activities of the Subcontractor under this agreement at such time and in such manner as they shall deem appropriate.

ARTICLE IX - EXAMINATION OF RECORDS

A - The Subcontractor agrees that the Commission and the Comptroller General of the United States or any of their duly authorized representatives shall have access to and the right to examine any directly pertinent books, documents, papers and records of the Subcontractor involving transactions related to this agreement until the expiration of three years after final payment under this agreement, unless the University, with the approval of the Commission, authorizes their prior disposition.

B - The Subcontractor further agrees to include in all its subcontracts hereunder a provision to the effect that the Subcontractor agrees that the Commission and the Comptroller General of the United States or any of their duly authorized representatives shall 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 until the expiration of three years after final payment under this agreement, unless the University, with the approval of the Commission, authorizes their prior disposition. The term "subcontract" as used herein means any purchase order or agreement to perform all or any part of the work or to make or furnish any materials required for the performance of this agreement but does not include 1) purchase orders not exceeding $1,000; 2) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public; or 3) subcontracts or purchase orders for general inventory items not specifically identifiable with the work under this agreement.

C - Nothing in this agreement shall be deemed to preclude an audit by the General Accounting Officer of any transaction under this agreement.

ARTICLE X - LIABILITY

In the conduct of the work under this agreement, the Subcontractor is acting in the capacity of an independent contractor; and neither party shall by reason of this agreement be obligated to defend, assume the cost of defense, hold harmless or indemnify the other from any liability to third parties for loss of or damage to property, death, or bodily injury, arising out of or connected with the work under this agreement.

ARTICLE XI - PROPERTY

A - Furnishing of Government Property

The University reserves the right to furnish any property or services required for the performance of the work under this agreement.

B - Title to Property

Title to all property furnished by the University shall remain in the Government, except as otherwise provided in this article. Except as otherwise provided by the University, title to all materials, equipment, supplies and tangible personal property of every kind and description purchased by the Subcontractor, for the cost of which the Subcontractor is entitled to be reimbursed as a direct item of cost under this agreement, shall pass directly from the Seller to the Government. The University and the Government reserve the right to inspect and to reject or accept any item of such property. The Subcontractor shall make such disposition of rejected items as the University shall direct. Title to other property, the cost of which is reimbursable to the Subcontractor under this agreement, shall pass to and vest in the Government upon 1) issuance for use of such property in the performance of this agreement; 2) commencement of processing or use of such property in the performance of this agreement; or 3) reimbursement of the cost thereof by the University, whichever first occurs. Property furnished by the University, and property purchased or furnished by the Subcontractor title to which vests in the Government under this paragraph are hereinafter referred to as Government Property. Title to Government Property shall not be affected by the incorporation of the property into or the attachment of it 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 personalty by reason of affixation to any realty.

C - Identification

To the extent directed by the University, the Subcontractor shall identify Government Property coming into the Subcontractor's possession or custody by marking or segregation in such a way, satisfactory to the University, as shall indicate its ownership by the Government.

D - Disposition

The Subcontractor shall make such disposition of Government Property which has come into the possession or custody of the Subcontractor under this agreement as the University shall direct. When authorized in writing by the University during the progress of the work or upon completion or termination of this agreement, the Subcontractor may, upon such terms and conditions as the University may approve, sell or exchange such property or acquire such property at a price agreed upon by the University and the Subcontractor as the fair value thereof. The amount received by the Subcontractor as the result of any disposition or the amount of the agreed fair value of any such property acquired by the Subcontractor shall

be applied in reduction of costs allowable under this agreement or shall be otherwise credited to account of the University, as the University may direct. Upon completion of the work or the termination of this agreement, the Subcontractor shall render an accounting, as prescribed by the University, of all Government Property which has come into the possession or custody of the Subcontractor under this agreement.

E - Protection of Government Property -- Classified Materials

The Subcontractor shall take all reasonable precautions, as directed by the University, or in the absence of such directions, in accordance with sound industrial practice, to safeguard and protect Government Property in the Subcontractor's possession or custody. Special measures shall be taken by the Subcontractor in the protection of and accounting for any classified or special materials involved in the performance of this agreement in accordance with the regulations and requirements of the Commission.

F - Risk of Loss of Government Property

The Subcontractor shall not be liable for loss or destruction of or damage to Government Property in the Subcontractor's possession, unless such loss, destruction or damage results from wilful misconduct or lack of good faith on the part of the Subcontractor's managerial personnel or unless such loss, destruction or damage results from a failure on the part of the Subcontractor's managerial personnel to take all reasonable steps to comply with any appropriate written directives of the University to safeguard such property under Paragraph E hereof. The term "Subcontractor's managerial personnel" as used herein means the Subcontractor's directors, officers and any of its managers, superintendents, or other equivalent representatives who have supervision or direction of 1) all or substantially all of the Subcontractor's business; 2) all or substantially all of the Subcontractor's operation at any one plant or separate location at which this agreement is being performed; 3) a separate and complete major industrial operation in connection with the performance of this agreement; or 4) a separate and complete major construction, alteration or repair operation in connection with performance of this agreement.

G - Steps to be Taken in Event of Loss

Upon the happening of any loss or destruction of or damage to Government Property in the possession or custody of the Subcontractor, the Subcontractor shall immediately inform the University of the occasion and extent thereof, shall take all reasonable steps to protect the property remaining, and shall repair or replace the lost, destroyed, or damaged property, if and as directed by the University, but shall take no action prejudicial to the right of the Government to recover therefor and shall furnish to the University and/or the Government on request all reasonable assistance in obtaining recovery.

H - Government Property for Government Use Only

Government Property shall be used only for the performance of this agreement, provided however, that nothing contained herein shall be construed to preclude any other proper written agreement between the parties with reference to the use of the Government property furnished hereunder.

ARTICLE XII - CONTRIBUTIONS, SUBCONTRACTS AND ASSIGNMENT

A - The Subcontractor shall indemnify and hold harmless the University and the Government on account of any contributions measured by the wages of employees of the Subcontractor and its agents assessed by the Federal Unemployment Tax Act, the Federal Insurance Contributions Act and any other applicable laws or statutes and shall accept exclusive liability for said contributions.

B - The Subcontractor shall have no right, authority or power to sell, mortgage or assign this agreement or any interest herein nor any right, power or authority to allow or permit any other person or persons or organizations to have any interest in or use any part of the rights or obligations granted hereunder for any purposes whatsoever without the prior written consent of the University. Neither this agreement nor any interest created thereby shall pass by operation of law to any trustee or receiver in bankruptcy or to any other receiver or assignee for the benefit of creditors or any other person or otherwise.

C - The Subcontractor shall not subcontract any of the work under this agreement and shall not assign this agreement, any portion hereof, any interest herein or any claim hereunder to any other party or parties. The University may assign this agreement to the Government.

ARTICLE XIII - INSURANCE

A - The Subcontractor shall procure and maintain such bonds and insurance as are required by law or by the written direction of the University and with companies, underwriters or underwriting firms under forms of policies satisfactory to the University. The terms of any such bond or insurance policy shall be submitted to the University for approval. In view of the provisions of Article XI - Property, the Subcontractor shall not procure or maintain for its own protection any insurance (including self-insurance or reserves) covering loss or destruction of, or damage to, Government-owned property.

B - In furtherance of the provisions of Paragraph A above, the Subcontractor shall, however, at all times maintain at least during the performance of the work under this agreement Workmen's Compensation Insurance which will compensate up to the maximum benefits as required by the applicable Workmen's Compensation Laws.

ARTICLE XIV - PATENTS

A - Whenever any invention or discovery is made or conceived by the Subcontractor or its employees in the course of or in connection with any of the work under this agreement or under the terms hereof, the Subcontractor shall furnish the Commission with complete information thereon; and the Commission shall have the sole power to determine whether or not and where a patent application shall be filed, and to determine the disposition of the title to and the rights under any application or patent that may result; provided, however, that the Subcontractor in any event, shall retain at least a sole (except as against the Government or its account), irrevocable, royalty-free license with the sole right to grant sublicenses, under said invention, discovery, application or patent, such license being limited to the manufacture, use, and sale for purposes other than use in the production or utilization of special nuclear material or atomic energy. Subject to the license retained by the Subcontractor, as provided in this paragraph, the judgment of the Commission on these matters shall be accepted as final; and the Subcontractor, for itself and for its employees, agrees that the inventor or inventors will execute all documents and do all things necessary or proper to carry out the judgment of the Commission.

B - No claim for pecuniary award or compensation under the provisions of the Atomic Energy Acts of 1946 and 1954 shall be asserted by the Subcontractor or its employees with respect to any invention or discovery made or conceived in the course of, or in connection with, any of the work under this agreement or under the terms thereof.

C - Except as otherwise authorized in writing by the Commission, the Subcontractor will obtain patent agreements to effectuate the purposes of Paragraphs A and B of this Article from all persons who perform any part of the work under this agreement, except such clerical and manual labor personnel as will not have access to technical data.

D - Except as otherwise authorized in writing by the Commission, the Subcontractor will insert in all subcontracts provisions making this article applicable to the Subcontractor and its employees.

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E - Except as otherwise provided, the Subcontractor agrees to indemnify the University and the Government and their officers, agents and employees against liability, including costs and expenses, for infringement upon any Letters Patent of the United States (except Letters Patent issued upon an application which is now or may hereafter be, for reasons of national security, ordered by the Government to be kept secret or otherwise withheld from issue) arising out of the performance of this agreement or out of the use or disposal by or for the account of the Government of supplies furnished or construction work performed hereunder.

ARTICLE XV - COPYRIGHTS

A - The contractor agrees to and does hereby grant to the Government, and to its officers, agents, servants and employees acting within the scope of their official duties, (1) a royalty-free, non-exclusive 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 contact, 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 Commission, 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.

C - The contractor agrees to report to the Commission 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.

ARTICLE XVI - DRAWINGS, DESIGNS AND SPECIFICATIONS

All drawings, sketches, designs, design data, specifications, notebooks, technical and scientific data, and all photographs, negatives, reports, findings, recommendations, data and memoranda of every description relating thereto first prepared in the course of this work, as well as all copies of the foregoing, relating to the work or any part thereof, shall be subject to inspection by the University at all reasonable times; and the Subcontractor and its subcontractors shall afford the University proper facilities for such inspection. Publications, newsreleases, advertising, speeches, technical papers, usage of photographs, releases of information regarding this undertaking or data developed hereunder may not be made except upon prior written approval from University of California Lawrence Radiation Laboratory's Business Manager or his designee.

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ARTICLE XVII - SECURITY

A - The Subcontractor's Duty to Safeguard Restricted Data and Other Classified Information

In the performance of the work under this agreement, the Subcontractor shall, in accordance with the Commission's security regulations and requirements, be responsible for safeguarding restricted data and other classified matter and protecting against sabotage, espionage, loss and theft, the classified documents, materials, equipment, processes, etc., as well as such other material of high intrinsic or strategic value as may be in the Subcontractor's possession in connection with performance of work under this agreement. Except as otherwise expressly provided in the specifications, the Subcontractor shall upon completion or termination of this agreement transmit to the Commission any classified matter in the possession of the Subcontractor or any person under the Subcontractor's control in connection with performance of this agreement.

B - Regulations

The Subcontractor agrees to conform to all security regulations and requirements of the Commission.

C - Definition of Restricted Data

The term "Restricted Data," as used in this Article, means all data concerning 1) designing, manufacture, or utilization of atomic weapons; 2) the production of special nuclear material; or 3) the use of special nuclear material in the production of energy, but shall not include data declassified or removed from the Restricted Data category pursuant to Section 142 of the Atomic Energy Act of 1954.

D - Security Clearance of Personnel

Except as the Commission may authorize, in accordance with the Atomic Energy Act of 1954, the Subcontractor shall not permit any individual to have access to Restricted Data until the designated investigating agency shall have made an investigation and report to the Commission on the character, associations, and loyalty of such individual and the Commission shall have determined that permitting such person to have access to Restricted Data will not endanger the common defense and security. As used in this paragraph, the term "designated investigating agency" means the United States Civil Service or the Federal Bureau of Investigation, or both, as determined pursuant to the provisions of the Atomic Energy Act of 1954.

E - Criminal Liability

It is understood that disclosure of information relating to the work or services ordered hereunder to any person not entitled to receive it or failure to safeguard any Restricted Data or any top secret, secret or confidential matter that may come to the Subcontractor or any person under the Subcontractor's control in connection with work under this agreement may subject the Subcontractor, its agents, employees, and subcontractors to criminal liability under the laws of the United States. (See the Atomic Energy Act of 1954, 68 Stat. 919). See also Executive Order No. 10104 of February 1, 1950, 15 F. R. 597.

F - Subcontracts and Purchase Orders

Except as otherwise authorized by the University in writing, the Subcontractor shall insert provisions similar to the foregoing in all subcontracts and purchase orders under this agreement.

ARTICLE XVIII - TERMINATION FOR THE CONVENIENCE OF THE UNIVERSITY

The University may at any time terminate performance of the work under this agreement in whole or in part for the convenience of the University by written notice to the Subcontractor. Such termination shall be without prejudice to any claims which the University may have against the Subcontractor. In such event, the University shall -1- pay the Subcontractor that portion of the fixed fee which the work actually completed, as determined by the University, bears to the entire work under this agreement, less payments previously made on account of the fee; -2- reimburse the Subcontractor for all allowable costs incurred in the performance of the work, including costs incurred in terminating such work and closing out this agreement as directed by the University, and not previously reimbursed or otherwise discharged; and -3- reimburse the Subcontractor for such further expenditures made after the date of termination for such legal and accounting services in connection with settlement as are required or approved by the University. The Subcontractor shall furnish a release in the form required under the article entitled "Payments". In arriving at the amount due the Subcontractor under this article, there shall be deducted any claim which the University may have against the Subcontractor in connection with this agreement and deductions under the terms of this agreement and not otherwise recovered by or credited to the University. Nothing contained in this article shall be construed to limit or affect any remedies which the University may have as a result of a default by the Subcontractor.

ARTICLE XIX - LABOR PROVISIONS

A - Eight-hour Laws - Overtime Compensation

No laborer or mechanic doing any part of the work contemplated by this agreement in the employ of the Subcontractor or any subcontractor contracting for any part of said work contemplated 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 such laborer or mechanic in accordance with the provisions of this article. The wages of every laborer or mechanic employed by the Subcontractor or any subcontractor engaged in the performance of this agreement 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 article, a penalty of five dollars shall be imposed for each 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 article, and all penalties thus imposed shall be withheld for the use and benefit of the Government; provided, that this stipulation shall be subject in all respects to the exceptions and provisions of the Eight-hour Laws as set forth in 40 U.S.C. 321, 324, 325, 325a and 326, which relate to hours of labor and compensation for overtime.

B - Notice of Labor Disputes

Whenever an actual or potential labor dispute is delaying or threatens to delay the performance of the work, the Subcontractor shall immediately notify the University in writing. Such notice shall include all relevant information concerning the dispute and its background.

C - Nondiscrimination in Employment

In connection with the performance of work under this agreement, the Subcontractor agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provisons shall include but not be limited to the following: employment, upgrading; demotion, or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Subcontractor agrees to post hereafter in conspicuous places available for employees and applicants for employment notices to be provided by the University setting forth the provisions of the nondiscrimination clause. The Subcontractor further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

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D - Convict Labor

In connection with the performance of work under this agreement, the Subcontractor shall not employ any person undergoing sentence of imprisonment at hard labor.

ARTICLE XX - DISPUTES

Any dispute concerning a question of fact which may arise under this agreement and which is not disposed of by mutual agreement shall be decided by a representative of the Commission duly authorized to supervise and administer performance of the work under this agreement, who shall reduce his decision to writing and mail a copy thereof to the Subcontractor. Within thirty (30) days from receipt of such decision, the Subcontractor may appeal by mailing to the authorized representative a written appeal addressed to the Commission (which term, as used in this sentence, shall mean the representative of the Commission duly authorized to hear such appeals but not including the representative authorized to supervise and administer performance of the work under this agreement); and the decision of the Commission shall, unless determined by a court of competent jurisdiction to be fraudulent, arbitrary, capricious or so grossly erroneous as to imply bad faith or not supported by substantial evidence, be final and conclusive; provided that, if no such appeal to the Commission is taken, the decision of the representative duly authorized to supervise and administer performance of the work under this agreement shall be final and conclusive. In connection with any appeal proceeding under this clause, the Subcontractor shall be offered an opportunity to be heard and to offer evidence in support of the appeal. Pending decision of a dispute hereunder, the Subcontractor shall diligently proceed with the performance of this agreement and in accordance with the decision of the authorized representative. Any sum or sums allowed to the Subcontractor under the provisions of this article shall be paid by the University as part of the cost of the work herein contracted for and shall be deemed to be within the contemplation of this agreement and in accordance with said decision.

ARTICLE XXI - COVENANT AGAINST CONTINGENT FEES

The Subcontractor warrants that no person or selling agency has been employed or retained to solicit or secure this agreement 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 Subcontractor for the purpose of securing business. For breach or violation of this warranty, the University shall have the right to annul this agreement without liability or in its discretion to deduct from the agreement price or consideration the full amount of such commission, percentage, brokerage or contingent fee.

ARTICLE XXII - OFFICIALS NOT TO BENEFIT

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

ARTICLE XXIII - NOTICE

If, at any time during the performance of this agreement, the Subcontractor becomes aware of any circumstances whatsoever which may jeopardize its fulfillment of the agreed performance of all or any portion of the agreement, it shall immediately notify the Business Manager of the University of California Radiation Laboratory, Berkeley 4, California or his designee, in writing of such circumstances; and the Subcontractor shall take whatever action is necessary to cure such defect within the shortest possible time.

ARTICLE XXIV - RENEGOTIATION

If this agreement is subject to the Renegotiation Act of 1951, as amended, the following provisions shall apply:

A - This agreement is subject to the Renegotiation Act of 1951, as amended (65 Stat. 7; P.L. 764, 83rd Congress) and shall be deemed to contain all the provisions required by Section 104 of said Act.

B - The Subcontractor agrees to insert the provisions of this Article, including this paragraph B, in all his subcontracts specified in Section 103 (g) of the Renegotiation Act of 1951; provided, that the Subcontractor shall not be required to insert the provisions of this Article in any of his subcontracts excepted by or pursuant to Section 106 of the Renegotation Act of 1951, as amended.

ARTICLE XXV - WALSH-HEALEY PUBLIC CONTRACTS ACT

To the extent that this agreement is subject to the Walsh-Healey Public Contracts Act, as amended (41 U. S. Code 35-45), there are hereby incorporated by reference the 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 ruling and interpretations of the Secretary of Labor which are now or may hereafter be in effect.

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ARTICLE XXVI - BUY AMERICAN ACT

The Subcontractor agrees that there will be delivered under this agreement only such unmanufactured articles, materials, and supplies (which term "articles, materials and supplies" is hereinafter referred to in this article 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. The foregoing provisions shall not apply (i) with respect to supplies exempted by the Commission from the application of the Buy American Act (41 U.S.C. 10a-d), (ii) with respect to supplies for use outside the United States, or (iii) with respect to the supplies to be delivered under this agreement which are of a class or kind determined by the Commission 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 subcontract are manufactured, as are of a class or kind determined by the Commission 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.

ARTICLE XXVII - LITIGATION AND CLAIMS

A - Initiation of Litigation

If the University requires the Subcontractor to initiate litigation, including proceedings before administrative agencies, in connection with this agreement, the Subcontractor shall proceed with the litigation in good faith as directed from time to time by the University.

B - Defense and Settlement of Claims

The Subcontractor shall give the University immediate notice in writing of 1) any action, including any proceeding before an administrative agency, filed against the Subcontractor arising out of the performance of this agreement; and 2) any claim against the Subcontractor, the cost and expense of which is allowable under the article entitled, "Costs and Expenses". Except as otherwise directed by the University in writing, the Subcontractor shall furnish immediately to the University copies of all pertinent papers received by the Subcontractor with respect to such action or claim. To the extent not in conflict with any applicable policy of insurance, the Subcontractor may with the University's approval, settle any such action or claim, shall effect at the University's request an assignment and subrogation in favor of the Commission of all the subcontractor's rights and claims (except those against the University) arising out of any such action or claim against the Subcontractor, and, if required by the University, shall authorize representatives of the University or Commission to settle or defend any such action or claim and to represent the Subcontractor in, or to take

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charge of, any action. If the settlement or defense of an action or claim against the Subcontractor is undertaken by the University or Commission, the Subcontractor shall furnish all reasonable assistance in effecting a settlement or asserting a defense. Where an action against the Subcontractor is not covered by a policy of insurance the Subcontractor shall with the approval of the University proceed with the defense of the action in good faith, and in such event the defense of the action shall be an allowable expense hereunder provided, however, that such expense shall not be allowable to the extent that it would have been compensated for by insurance which was required by law or by the written direction of the University, but which the Subcontractor failed to secure through its own fault or negligence.

ARTICLE XXVIII - SAFETY, HEALTH AND FIRE PROTECTION

The Subcontractor shall take all reasonable precautions in the performance of the work under this agreement to protect the health and safety of employees and of members of the public and to minimize danger from all hazards to life and property, and shall comply with all health, safety, and fire protection regulations and requirements (including reporting requirements) of the University and the Commission. In the event that the Subcontractor fails to comply with said regulations or requirements of the University and the Commission, the University may without prejudice to any other legal or contractual rights of the University, issue an order stopping all or any part of the work; thereafter a start order for resumption of work may be issued at the discretion of the University. The Subcontractor shall make no claim for an extension of time or for compensation or damages by reason of or in connection with such work stoppage.

ARTICLE XXIX - TAXES

The Subcontractor agrees to notify the University of any tax, fee or charge

A - from which exemption is granted by State or local law; or

B - which is invalid under any provision of the Constitution of the United States levied or purported to be levied on the Subcontractor in respect of this agreement and to refrain from paying any such tax, fee, or charge unless otherwise authorized by the University. The Subcontractor further agrees to take such steps as may be required by the University to cause such tax, fee, or charge to be paid under protest, and if so directed by the University, to cause to be assigned to the Commission or its designee any and all rights to the abatement or refund of any such tax, fee, or charge, or to permit the University or the Commission to join with the Subcontractor in any proceedings for the recovery thereof or to sue for recovery in the Subcontractor's name.

The Government shall save the Subcontractor harmless from penalties and interest incurred through compliance with this Article.

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ARTICLE XXX - APPROVAL BY THE ATOMIC ENERGY COMMISSION

This agreement is not effective unless it has the approval of the Commission in the space provided therefor.

IN WITNESS WHEREOF, the parties hereto have executed this agreement.

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

By [illegible], Secy.

Date Oct 27, 1959

[redacted]

Subcontractor

By [illegible]

[redacted]

Date 5 October 1959

APPROVED IN FORM AND CONTENT
U. S. ATOMIC ENERGY COMMISSION

By D M Morris

D. M. Morris
Deputy Manager, SAN

Date NOV 27 1959

APPROVED AS TO FORM:

MARK OWENS, JR.
ASSISTANT COUNSEL OF THE REGENTS
OF THE UNIVERSITY OF CALIFORNIA

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Rev. 8/15/58

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I, Marjorie J. Woolman, certify that I am the Associate Secretary of The Regents of the University of California; that Robert M. Underhill who signed this subcontract on behalf of the said corporation was then Secretary of said corporation; that this subcontract was duly signed for and on behalf of said corporation by authority of The Regents of the University of California and is within the scope of its corporate powers.

Marjorie J. Woolman

Marjorie J. Woolman, Associate Secretary

I, W. L. Rogers, certify that I am the Vice President of Aerojet-General Corporation-Azusa Operations, referred to as "Subcontractor" herein; that A. L. Antonio who signed this subcontract on behalf of Aerojet-General Corporation was then Vice President, Chemical Division of said corporation; that said subcontract was duly signed for and on behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

CORPORATE SEAL

W L Rogers

W. L. Rogers
Vice President

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