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Effective as of JUN 30 1949

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CONTRACT
BETWEEN THE UNIVERSITY OF CHICAGO
AND
THE U. S. ATOMIC ENERGY COMMISSION
FOR
ATOMIC ENERGY RESEARCH AND DEVELOPMENT

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TABLE OF CONTENTS

		<u>Page</u>
Article I	Term of Contract.....	1.
Article II	Nature and Scope of Program.....	1.
Article III	General Administration of Contract.....	2.
Article IV	Program Development.....	2.
Article V	Information and Reports on Work.....	2.
Article VI	Personnel.....	3.
Article VII	Subcontracts and Purchases.....	3.
Article VIII	Property.....	4.
Article IX	Cost of the Work.....	5.
Article X	Accounting and Auditing.....	6.
Article XI	Inspections, Records, Drawings and Specifications.....	6.
Article XII	Contingencies, - Litigation and Claims - Insurance.....	7.
Article XIII	Disputes.....	8.
Article XIV	Health, Safety, and Accident Prevention.....	8.
Article XV	Patents.....	9.
Article XVI	Security and Disclosure of Information.....	10.
Article XVII	Labor.....	11.
Article XVIII	Officials Not to Benefit.....	12.
Article XIX	Domestic Articles.....	12.
Article XX	Termination of Contract by Government.....	12.

TABLE OF CONTENTS
(Continued)

	<u>Page</u>
Article XXI Assignment of Claims.....	14.
Article XXII Definitions.....	14.
Article XXIII Liberal Construction.....	14.

CONTRACT
BETWEEN THE UNIVERSITY OF CHICAGO
AND
THE U. S. ATOMIC ENERGY COMMISSION
FOR
ATOMIC ENERGY RESEARCH AND DEVELOPMENT

This CONTRACT is entered into on JUN 30 1949, 1949, effective as of JUN 30 1949, 1949, between the UNITED STATES OF AMERICA (called the "Government") acting through the UNITED STATES ATOMIC ENERGY COMMISSION (called the "Commission") and THE UNIVERSITY OF CHICAGO, Chicago, Illinois, a corporation not for profit, organized under the laws of the state of Illinois (called the "University").

PURPOSE - This agreement recognizes that the University and the Commission are cooperating in a program of research and development related to atomic energy which has been carried on for more than six years by the Argonne National Laboratory and its predecessor, the Metallurgical Laboratory, under Contract No. W-31-109-ENG-38, and earlier contracts.

The purpose of this agreement is to provide the means by which other divisions of the University may participate in the atomic energy program so as to encourage basic scientific progress and to assure adequate technical accomplishment in the interest of the national defense and public welfare. It is expressly understood that this agreement is subject to the paramount objective of assuring the common defense and security of the United States.

In order to carry out the purposes of this contract, and subject to all applicable provisions of the Atomic Energy Act of 1946, the parties agree as follows:

ARTICLE I - TERM OF CONTRACT

This contract shall continue in force and effect from JUL 1 1949, 1949, through June 30, 1951, in accordance with its provisions unless sooner terminated as provided in this agreement, or renewed by mutual agreement.

ARTICLE II - NATURE AND SCOPE OF THE PROGRAM

1. The work under this contract will consist in general of research and development work in or related to the field of atomic energy, not ordinarily carried on by the Argonne National Laboratory or subject to its jurisdiction.

2. The particular scope of the activities under this agreement will be defined from time to time in separate project agreements to be executed in accordance with programs mutually agreed upon by the Commission and the University. Such project agreements shall be subject to the applicable provisions of this contract and may contain such other supplementary provisions as may be agreed upon by the parties.

ARTICLE III - GENERAL ADMINISTRATION OF CONTRACT

1. The University shall supply or procure the personnel and facilities, and to the best of its ability do all things required for the efficient and successful prosecution of the work. It is mutually understood and agreed that administrative control of and responsibility for said personnel and facilities are vested in the University, and that it shall be responsible for the administration of the programs. The University shall not be required without its consent to undertake any work under this contract which requires performance outside the continental limits of the United States.

2. The Commission shall be responsible for general supervision of the programs under this contract, and for the performance of such specific undertakings as may be provided for herein.

ARTICLE IV - PROGRAM DEVELOPMENT

1. Long-Term Programs - The University and the Commission may, from time to time, mutually agree upon long term work programs to be performed under project agreements as provided in Article II of this contract.

2. Short-Term Programs and Financial Obligations - Prior to March 1 of each year (or such other date as may be agreed upon) the University shall submit (a) an annual work program to cover the estimated work to be performed during the next fiscal year beginning July 1 under the project agreements under this contract, and (b) a statement showing all commitments entered into during the current fiscal year to date and an estimate of commitments to be entered into during the balance of the current fiscal year and for the next fiscal year beginning July 1 for project agreements under this contract. A supplement to each project agreement under this contract will be executed by the parties by May 31 of each year (or such other date as may be agreed upon) to provide an appropriate modification in the amount of funds to be made available to each project agreement under this contract, to be obligated against such obligational authority as the Commission may designate from time to time.

3. Procedures for the preparation of such work programs and cost estimates and statements shall be jointly developed by the Commission and the University with respect to each project agreement.

ARTICLE V - INFORMATION AND REPORTS ON WORK

1. It is the purpose of the University and the Commission to keep each other informed concerning the work under project agreements under this contract, and generally in the field of atomic energy consistent with security requirements. To this end the parties agree as follows:

a. The Commission will keep the University generally informed concerning the progress of the overall atomic energy program administered by the Commission, and with respect to specific activities of particular interest to the University, consistent with security requirements.

b. (1) The University will keep the Commission informed concerning the program carried on under project agreements under this contract, and with respect to such other activities of the University in the field of nuclear science as it deems to be of interest to the Commission.

(2) The University agrees to provide the Commission with regular, special, and final reports on the conduct and progress of the work under project agreements under this contract in such form and at such times as may be required or approved by the Commission. It is the intent of the Commission to collaborate with the University in determining the necessity, form and frequency of such reports. So far as practicable, such reports shall be prepared so as to reflect the results of the work programs carried on under Article IV.

ARTICLE VI - PERSONNEL

Salaries and related personnel policies with respect to personnel performing work under project agreements under this contract shall be determined in accordance with established University policy on these matters, except as such policy may be specifically modified by the parties and set forth in project agreements under this contract.

ARTICLE VII - SUBCONTRACTS AND PURCHASES

Except as may be otherwise agreed to by the parties:

1. The University is authorized to make subcontracts and purchases under each project agreement provided that all subcontracts for research and development, and all other subcontracts (except contracts of employment) or purchases in excess of \$2,500.00 shall be subject to approval by the Commission.

2. All subcontracts and purchases under such project agreements, including those for services (except employment) materials, supplies, equipment, or for their use, will be reduced to writing, except for petty cash items of one hundred dollars or less; and all subcontracts and purchase orders shall be made in the University's own name and not bind or purport to bind the Government or the Commission.

3. Under all project agreements, the University shall obtain the approval of the Commission before (a) purchasing motor vehicles or other items which the Commission may designate to be furnished by the Government, (b) making any building alterations, (c) constructing new buildings, roads, utilities and appurtenances, or (d) leasing, purchasing, or otherwise acquiring real property, the cost of any of which will be claimed for reimbursement hereunder. This section applies to building alterations and construction to be performed by the University as well as to that to be performed by any third party.

4. The Commission may purchase or otherwise provide such materials, equipment, or services for use by the University in carrying on the contract as in the judgment of the University are of a suitable type and in satisfactory condition.

ARTICLE VIII - PROPERTY1. Construction and Alterations

It is understood that prior to the construction of any structure or other improvement or alteration of any University owned property, financed in whole or in part by Government funds under this contract, the parties shall agree in writing as to the appropriate allocation of costs as between the Government and the University and as to the method of disposition of such improvement or alteration, and of the restoration of the premises.

2. Personal Property

(a) Applicability of Provisions. Except as otherwise specified, the provisions of this section apply to all personal property obtained by the University under this contract, for which the University has been reimbursed by the Government or has the right to claim reimbursement, or which has been furnished directly by the Government.

(b) Title - Title to all materials, tools, machinery, equipment, and supplies for which the University shall have been, or shall be entitled to be, reimbursed by the Government, shall vest in the Government upon delivery to the University.

(c) Custody and Control - (1) The University shall be responsible for the custody and control of personal property under this contract and shall have the right to use and expend such property in the performance of the contract in accordance with the provisions of this Article.

(2) The University and the Commission shall develop and keep up to date a mutually satisfactory system for the accounting for and control by the University of personal property coming within the coverage of this agreement.

(3) Special measures shall be taken by the University in the protection of and accounting for classified materials supplied by the Government, in accordance with applicable regulations and policies of the Commission.

(d) Disposition - At any time prior or subsequent to the termination of the work under this contract, the University shall: (1) deliver at the Government's expense, when and as directed by the Commission, all or any part of materials, supplies, apparatus, equipment or other articles of personal property not heretofore expended or delivered hereunder coming within the coverage of this Article; or (2) transfer or otherwise dispose of property under this Article to such parties and upon such terms as may be agreed upon by the Commission. The proceeds of any such disposition shall be applied or paid in such manner as the Commission may specify.

3. Responsibility of University for Property. The University shall

be responsible to the Government for loss of or damage to materials, supplies, apparatus, equipment, and any other property, real or personal, covered by this contract, only if and so far as attributable to the wilful misconduct or lack of good faith of some corporate officer or officers of the University, or the particular project director for the work involved.

ARTICLE IX - COST OF THE WORK

1. Unless expressly excluded by other provisions of this contract, the University shall be reimbursed in the manner provided in this agreement without duplication of items reimbursed under section 2 of this Article for all costs incurred in the course of performing the work under this contract, including without limitation costs relating to personnel, purchases, subcontracts, transportation and travel, losses not compensated by insurance or otherwise, payments required by law as a result of this contract, and costs otherwise authorized by this agreement. The University shall be reimbursed for expenses relating to personnel, and transportation and travel in accordance with established University policy in these matters, except as the same may be specifically modified by the parties and set forth in project agreements under this contract.

2. In addition to the costs and expenses reimbursable pursuant to section 1 of this Article, the Commission shall reimburse the University for the following:

(a) Amounts to cover all overhead costs and expenses and indirect charges, including costs of providing facilities for the performance of work undertaken hereunder, not specifically covered by other provisions of this contract, equal to the percentages specified in each Project Agreement, of the salaries and wages of persons directly employed in the performance of the work covered by such Project Agreement and properly chargeable directly to this contract, including any amounts allowed in such Project Agreement to be paid on account of guard and security expense, overtime premium expense, and sick leave, vacation, and discontinuance or separation allowance; provided, however, that (1) any provisional percentage specified in such Project Agreement shall be subject to revision in order to substitute such fixed percentage as shall be agreed to at a later date by the University and the Commission, which fixed percentage shall apply retroactively from the effective date of the provisional percentage; and (2) any fixed percentage effective hereunder for twelve (12) months shall be subject to revision in order to substitute such new and different fixed percentage, operating prospectively, as shall be agreed to by the University and the Commission. Any failure of the University and the Commission to agree upon a fixed percentage under this subsection shall be deemed to be a dispute to be decided in accordance with the provisions of Article XIII.

(b) All costs and expenses which actually are incurred by the University in good faith arising out of or connected with the work under this contract, unless it be established by the Commission that such cost or expense resulted from wilful misconduct or bad faith on the part of some corporate officer or officers of the University, or the particular project director for the work involved.

3. The Government shall currently reimburse the University for the cost to the University of performance of its undertakings hereunder. The limits of the Commission's obligations shall be set forth in each project agreement. Reimbursement shall be made upon the submission of public vouchers supplied by the Commission or in such other manner as may be mutually agreed upon by the parties. Generally reimbursement will be made monthly but may be made at more frequent intervals if conditions so warrant. The Commission may withhold all or any part of the final reimbursement payment until receipt of the final report, property accounting, and the patent disclosure and designation.

4. Notwithstanding any other provisions of this agreement, when and if the University's expenditures shall equal the maximum amount the Government has agreed to reimburse the University as set forth in any project agreement hereunder and in subsequent supplements thereto, the University shall not be expected or required to incur or obligate further expenses under such project agreements under this contract unless and until the Government shall first agree in writing to reimburse the University for such work.

ARTICLE X - ACCOUNTING AND AUDITING

(a) The University agrees to keep books of account and other financial records showing the actual cost to it of all items of labor, materials, equipment, supplies and services, and other expenditures of whatever nature for which reimbursement is authorized under the provisions of this contract and each project agreement hereunder. In keeping such records, the University shall utilize a system of accounting conforming to generally accepted accounting principles consistently applied, and shall adequately record its financial transactions, provided, that no material change shall be required in the University's existing accounting system so long as it conforms to the principles set forth in this section. In addition, the University agrees to make available such accounting reports as the Commission may require.

(b) The Commission shall, at all reasonable times, have the right to audit the University's accounts and other financial records relating to the performance of this contract and each project agreement hereunder, and the University shall afford the Commission proper facilities for such work.

ARTICLE XI - INSPECTIONS, RECORDS, DRAWINGS, AND SPECIFICATIONS

1. The Commission shall at all reasonable times have the right of access to and inspection of the following:

(a) The premises and the conduct of the work, and all materials, equipment and supplies:

(b) All books, records, correspondence, instructions, receipts, vouchers and memoranda of every description of the University pertaining to the business administration of this contract and each project agreement hereunder.

(c) The University shall preserve the papers described in subsection (b) above, except such documents as are submitted in support of reimbursement vouchers, for a period of five (5) years after completion or termination of this contract; provided, that at the request of the Commission, this period may be extended for five (5) additional years. At the end of the first five (5) year period or any extension thereof as herein provided, the University and the Commission will negotiate regarding the further preservation of records which the Commission deems to be of value. Or, by mutual agreement, the University may turn over all or part of such records for preservation by the Commission. The Commission shall have the right at its expense to have microfilms made at any time of any papers described in subsection (b). The University may, with the approval of the Commission, destroy after termination or completion of the contract such papers as are deemed to be of no potential value to the University or the Commission.

2. (a) All drawings, designs, specifications, photographs, negatives, data, notebooks, reports and memoranda of every description relating to the research and development program under project agreements under this contract are the property of the Government, provided that the University may retain duplicates for use in a manner consistent with security and patent regulations and policies. The Government shall have full rights to use such materials for any purpose at any time or place it may designate without the claim of the University for additional compensation.

(b) Subject to subsection (a), all such drawings, designs, specifications, photographs, negatives, data, notebooks, reports and memoranda shall be delivered to the Commission at any time at its request.

ARTICLE XII - CONTINGENCIES - LITIGATION AND CLAIMS - INSURANCE

1. It is agreed that all work under this contract and each project agreement hereunder is to be performed at the expense of the Government, and that the University shall not be liable for, and the Government shall indemnify and hold the University harmless against any delay, failure, loss or damage (including personal injuries and deaths of persons and damage to property), and any expenses in connection therewith (including expense of litigation), not compensated by insurance or otherwise, arising out of or connected with the work, including any loss or damage and incidental expense connected with any alleged liability for patent infringement. It is understood that the Government is obligated under this section whether or not any employee of the University is responsible therefor, unless such delay, failure, loss, damage and incidental expense should be established by the Government to have been caused directly by bad faith or wilful misconduct on the part of some corporate officer or officers of the University or the particular project Director for the work involved.

2. Except as otherwise provided herein, the University shall initiate or defend litigation and claims in connection with project agreements under this contract and may settle such litigation or claims with the prior approval of the Commission. The University

shall keep the Commission fully informed of the conduct of such proceedings including furnishing immediate notice of all actions and claims filed and all pertinent papers received or filed. The University also shall make appropriate assignments upon request of the Commission to enable the Government to protect its interests by litigation or otherwise. If required by the Commission in order to protect important interests of the Government, the University shall authorize representatives of the Government to settle or defend any such litigation or claims and to represent the University in, or take charge of, any such proceedings. In the handling of such claims or litigation by the University or the Government, each party shall obtain and receive the full collaboration of the other.

3. The University shall procure and maintain such insurance in such forms and amounts and for such periods of time as the Commission may require or approve. Such insurance policies shall, by appropriate language, exclude any claim on the part of the insurer to be subrogated, upon payment of loss or otherwise, to any claim against the Government. The University shall comply with all requirements of any such insurance policies with respect to furnishing proof and other matters in connection with any claim or loss.

ARTICLE XIII - DISPUTES

Except as otherwise specifically provided in this contract or any project agreement hereunder, all disputes concerning questions of fact which may arise under this contract or any project agreement hereunder, and which are not disposed of by mutual agreement, shall be decided by the Manager of the Chicago Operations Office of the Commission, who shall reduce his decision to writing and mail a copy thereof to the University. Within thirty (30) days from receipt of such notice, the University may appeal in writing to the Commission, whose written decision or that of its other designated representative or representatives or Board thereon shall be final and conclusive. Pending decision of a dispute the University shall diligently proceed with the performance of this contract. Any sums allowed or awarded to the University pursuant to this Article shall be a reimbursable item under this contract.

ARTICLE XIV - HEALTH, SAFETY AND ACCIDENT PREVENTION

The University shall take all reasonable steps and precautions to protect the health and safety of employees under this contract. The University shall also take all reasonable steps to minimize the danger to property, the public and the community. The University shall maintain an effective accident prevention program and shall comply with the Commission safety requirements, including provisions with respect to reports and inspections. In the event the University fails to comply with such requirements and in the opinion of the Commission such failure may result in a safety hazard, the Commission without prejudice to any other rights of the Government, may issue orders stopping all or any part of the work; start orders may be issued at any time thereafter at the discretion of the Commission.

ARTICLE XV - PATENTS

1. Whenever any patentable invention or discovery is made or conceived by the University or its employees in the course of any of the work under this contract, the University 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 rights under any application or patent that may result. The judgment of the Commission on these matters shall be accepted as final; and the University, 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. It is understood, however, that the making of prior art searches, the preparation, filing, and prosecution of patent applications, the determination of questions of novelty, patentability, and inventorship, as well as all other functions of a patent attorney, are excluded from the duties of the University.

2. No claim for pecuniary award under the provisions of the Atomic Energy Act of 1946 shall be asserted by the University or its employees with respect to any invention or discovery made or conceived in the course of any of the work under this contract.

3. Except as otherwise authorized in writing by the Commission, the University will obtain patent agreements to effectuate the purposes of paragraphs 1 and 2 of this Article from all persons who perform any part of the work under this contract, except clerical and manual labor personnel who will not have access to technical data. The University shall not be responsible to the Government for any default under this Article on its part which is caused by the non-performance of such an agreement by such persons, including subcontractors; the University, however, agrees that in the event any such person or subcontractor shall fail to perform his agreement with the University to such extent that the University is unable to perform its obligations to the Government under this Article, the University will assign to the Government, so far as is legally possible, all rights of the University therein.

4. In view of the fact that the University has not made an investigation as to the possibility of patent infringement or infringements of secret inventions, and both parties desire to avoid the delay incident to an investigation of such possibilities, it is agreed that the Government shall hold and save the University harmless from liability of any nature or kind including costs and expenses for the infringement of or use of the patent rights or secret inventions of third parties arising in connection with the performance of this contract.

5. Except as otherwise authorized in writing by the Commission, the University will insert in all subcontracts provisions making paragraphs 1, 2, 3, and 5 of this Article applicable to the subcontractor and its employees.

ARTICLE XVI - SECURITY AND DISCLOSURE OF INFORMATION

1. It is recognized that work under project agreements under this contract may involve restricted data or may be confined to unclassified work.

2. In instances where restricted data will be involved in the work under project agreements, the work will be conducted as classified work and the following provisions shall apply:

(a) It is understood that disclosure of information relating to the work under project agreements under this contract to any person, not entitled to receive it, or failure to safeguard all secret, confidential and restricted matter that may come to the University or any person under its control in connection with the work under project agreements under this contract, may subject the University, its agents, employees and subcontractors to criminal liability under the laws of the United States. See the Atomic Energy Act of 1946 (Public Law 585, 79th Congress). See also Title I of an Act approved June 15, 1917 (40 Stat. 217; 50 U.S.C. 31-42), as amended by an Act approved March 28, 1940 (54 Stat. 79); and the provisions of an Act approved January 12, 1938 (52 Stat. 3; 50 U.S.C. 45-45d) as supplemented by Executive Order No. 8381, dated March 22, 1940, 5 F.R. 1147.

(b) In the performance of both classified and unclassified work under project agreements under this contract, the University agrees to carry on an adequate security program consistent with the Commission's requirements and to conform to all security regulations and requirements of the Commission. Except as the Commission may authorize, in accordance with the Atomic Energy Act of 1946, the University agrees not to permit any individual to have access to restricted data until the Federal Bureau of Investigation 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 or security. The term "restricted data" as used in this Article means all data concerning the manufacture or utilization of atomic weapons, the production of fissionable material, or the use of fissionable material in the production of power, but shall not include any data which the Commission from time to time determines may be published without adversely affecting the common defense and security.

(c) The University shall not employ any alien or permit any alien to have access to classified work under project agreements under this contract or to any plans, specifications, or records relating to its undertakings thereunder without the written consent of the Commission.

(d) The University shall not employ or continue to employ on, and shall exclude from the site of, any of the classified work under project agreements under this contract any person or persons designated by the Commission for cause as undesirable to have access to such work.

(e) Except as approved in writing by the Commission, the University shall insert in all subcontracts under this contract the provisions of paragraphs (a), (b), (c), and (d) of this subsection.

3. In such cases where the Commission shall determine there will be no restricted data involved in the work involved under a particular project agreement under this contract, the University will perform such work as unclassified work. However, if in the course of the work any discoveries are made or any data used or developed that constitute restricted data, the University shall promptly inform the Commission and shall classify and safeguard all discoveries and data in accordance with the requirements of the Commission. It is understood that the project directors for unclassified work under project agreements under this contract shall be cleared by the Commission for access to restricted data. If doubt exists as to whether any discovery or data developed constitute restricted data, prior to the release of these data and before permitting any individual who has not received clearance from the Commission to have access to such data, the University shall seek the guidance of the Commission. The Commission reserves the right to require the classification of work whenever in its opinion restricted data are involved. The continuation by the University of work found to involve restricted data shall be subject to mutual agreement of the Commission and the University and shall be covered by supplement to the particular project agreement involved.

ARTICLE XVII - LABOR

1. The University agrees to include appropriate provisions with reference to the Copeland Act (Act of June 13, 1934, 48 Stat. 948, 40 U.S.C.A. Secs. 276-6 and c as amended), and the Davis-Bacon Act (Act of March 3, 1931, 46 Stat. 1494 as amended) in all subcontracts which involve the employment of laborers and mechanics to which those statutes apply. At the request of the University, the Commission will furnish contract clauses, wage rates, etc. for inclusion in such subcontracts.

2. Eight Hour Law - The University shall compensate laborers and mechanics for all hours worked by them in project agreements hereunder in excess of eight (8) hours in any one calendar day at a rate of not less than one and one-half (1-1/2) times the basic rate of pay of such laborers and mechanics, and shall include such provision in each subcontract. For each violation of the requirements of the Article, a penalty of Five Dollars (\$5.00) shall be imposed upon the University or subcontractor for each laborer or mechanic for each calendar day in which such employee is required or permitted to work hereunder more than eight (8) hours without receiving such additional compensation and all penalties thus imposed shall be withheld for the use and benefit of the Government.

3. Convict Labor - The University shall not employ any person undergoing sentence of imprisonment at hard labor. This provision shall not be construed to prevent the University or any subcontractor hereunder from obtaining any of the supplies, or any component parts or ingredients thereof, to be furnished under project agreements of this contract or any of the materials and

supplies to be used in connection with the performance of such agreements, directly or indirectly, from any Federal, State or territorial prison or prison industry, provided, that such articles, materials or supplies are not produced pursuant to any contract or other arrangements under which prison labor is hired by or employed or used by any private person, firm or corporation.

4. Anti-Discrimination - (a) The University in performing the work required by project agreements under this contract, shall not discriminate against any employee or applicant for employment because of race, creed, color, or national origin.

(b) The University agrees that the provisions of paragraph (a) above will also be inserted in all of its subcontracts.

ARTICLE XVIII - OFFICIALS NOT TO BENEFIT

No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or project agreements hereunder or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE XIX - DOMESTIC ARTICLES

1. Unless the Commission shall determine it to be inconsistent with the public interest, or the cost to be unreasonable, the University, its subcontractors, and all material men or suppliers shall use, in the performance of construction or maintenance work under project agreements under this contract only such unmanufactured articles, materials and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, or supplies as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced or manufactured, as the case may be, in the United States. The provisions of this Article shall not apply if the articles, materials, or supplies of the class or kind to be used, or the articles, materials, or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of satisfactory quality.

2. The University's obligations under this Article shall be fully satisfied by inserting appropriate provisions to effectuate the purposes described in paragraph 1 above in all contracts and orders with its subcontractors, material men and suppliers.

ARTICLE XX - TERMINATION OF CONTRACT BY GOVERNMENT

1. The government may terminate this contract and/or project agreements hereunder upon 60 days notice by a notice in writing from the Commission to the University. Such termination shall be effective in the manner and upon the date specified in said notice and shall be without prejudice to any claims which the Government may have against the University or the University may have against the Government.

2. Upon receipt of such notice the University shall, unless the notice directs otherwise, take the following action:

(a) Immediately discontinue all work and the placing of all orders for materials, facilities and supplies in connection with performance of the particular project agreement or this contract as the case may be.

(b) Proceed promptly and to the best of its ability to cancel all existing orders and terminate all subcontracts insofar as such orders and/or subcontracts are chargeable to the project agreement or to this contract as the case may be and make appropriate termination of employment contracts or agreements with the concurrence of the Commission.

(c) Make full and complete settlement of all obligations, commitments and claims existing or arising as a result of such termination, subject to approval of the Commission.

(d) Transfer title (to the extent that title has not already been transferred) and deliver to the Government, as directed by the Commission, the completed and uncompleted work, supplies, material and other property used in the program, and the plans, drawings, data and other property which if the contract has been completed would be furnished to the Government.

(e) Complete performance of such part of the work as shall not have been terminated.

(f) Take such other action as may be necessary, or as the Commission may direct, for the protection and preservation of property which is in the possession of the University and in which the Government has an interest.

3. Upon the termination of this contract and/or project agreements hereunder, full and complete settlement of all claims of the University arising out of this contract and/or project agreements hereunder shall be made as follows:

(a) The Government shall assume and become liable for all obligations, commitments, and claims that the University may have theretofore in good faith undertaken or incurred in connection with said work and the cost of which would be reimbursable in accordance with the provisions of this contract and/or project agreements hereunder; and the University shall, as a condition of receiving the payments mentioned in this Article, execute and deliver all such papers and take all such steps as the Commission may require for the purpose of fully vesting in the Government the rights and benefits of the University under such obligations or commitments.

(b) The Government shall reimburse the University for all expenditures not previously reimbursed.

(c) The Government shall reimburse the University for such further expenditures, made after the date of termination,

for the protection of Government property and for services in connection with the settlement of this contract and/or project agreements hereunder as are required or approved by the Commission.

(d) The obligation of the Government to make any of the payments required by this Article shall be subject to any unsettled claims in connection with this contract which the Government may have against the University.

(e) No settlement hereunder shall prejudice the University's rights to reimbursement with respect to claims subsequently found or determined to have been incurred in the performance of this contract and project agreements hereunder and not known or determined at the time of such settlement.

ARTICLE XXI - ASSIGNMENT OF CLAIMS

Neither this contract, nor any interest or claim relating to this contract, shall be assigned or transferred, except with the prior approval of the Commission in writing.

ARTICLE XXII - DEFINITIONS

The term "Commission" as used in this contract shall mean the United States Atomic Energy Commission or its duly authorized representative or representatives.

ARTICLE XXIII - LIBERAL CONSTRUCTION

This contract is executed under the Atomic Energy Act of 1946 in the interest of the common defense and security, and shall be liberally construed to carry out the purposes and policies thereof.

IN WITNESS WHEREOF, the Government and the University have caused this agreement to be executed as of the date first above written, intending to be legally bound thereby.

THE UNITED STATES OF AMERICA

By /s/ A. Tammaro
A. Tammaro, Manager
Chicago Operations Office
U. S. Atomic Energy Commission

WITNESSES:

THE UNIVERSITY OF CHICAGO

/s/ Irene E. Fagerstrom

/s/ Lillian Barsevick

By /s/ W. B. Harrell
Business Manager
W. B. Harrell

I, Howard H. Moore, certify that I am the Asst. Secy of Board of Trustees of the corporation named as the "University" herein; that W. B. Harrell, who signed this contract on behalf of the University was then Business Manager of said corporation; that said contract 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.

IN WITNESS WHEREOF, I have hereunto affixed my hand and the seal of said corporation this 30th day of June, 1949.

SEAL

/s/ Howard H. Moore