

Washington, DC 20585



Mr. Ken Lambert U.S. Nuclear Regulatory Commission Region 3 801 Warrenville Road Lisle, Illisnois 60532-4351

Dear Mr. Lambert:

This is a followup letter to your telephone request for documents relating to the former Harshaw Chemical Company facility in Cleveland, Ohio.

The following documents are enclosed:

- Letter Contract W-7405 Eng-276 (dated January 5, 1944) between the War Department and Harshaw Chemical Company, Cleveland, Ohio;
- Contract W-7405 Eng-276 (dated May 27, 1944) between the War Department and Harshaw Chemical Company, Cleveland, Ohio;
- Memorandum (with attachments) from J. R. Moore (Director, Contract Division) to J. W. Ould, Jr. (Assistant General Counsel), dated April 28, 1958, concerning the need for preparation of Modification 85 to Contract No. W-7405-ENG-276 with Harshaw Chemical Company. Some pages of the attachments are missing;
- Modification 85 to Contract W-7405-Eng-276 (dated June 25, 1958);
- Assignment for Contract W-7405-ENG-276 (dated December 23, 1959); and
- Final Release for Contract W-7405-ENG-276 (dated December 23, 1959).

For security reasons, certain code words were used in some of the contractual documents. "Product C616" is uranium hexafluoride; "Product 306" is uranium dioxide; and material "WE-61" is uranium tetrafluoride. As we discussed, the Department of Energy has additional documents relating to this facility.

If you have any questions or if I may be of further assistance, please feel free to call me at 301-903-8149.

Sincerely,

W. Alexadelille

W. Alexander Williams, PhD Designation and Certification Manager Division of Off-Site Programs Office of Eastern Area Programs Office of Environmental Restoration

Enclosures

9403210081 940315 PDR ADDCK 04008724 WAR DEPARTMENT UNITED STATES ENGINEER OFFICE

> MADISON SQUARE AREA P. C. BOX 42 STATION F NEW YORK 16, N. Y.

5 Jamary 1966

Letter Contract No. 7-7405 eng-276 Sew York, NewYork

SPECIAL REREVIEW FINAL DETERMINATION LNCLASSIFIED

By: p. F. Brun Date: 5 - 9.84

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Earshaw Chemical Company Cleveland, Thio

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Gentlemen:

The United States of America, acting through the undersigned Contracting Officer, hereby places with you an order that you shall, in the shortest possible time, furnish the labor, materials, tools, machinery, equipment, facilities, supplies not furnished by the United States of America, and services, and do all things necessary for the UFL design, procurement and installation or equipment, and the operation of a plant of a designed capacity of 3300 pounds of Product C616 daily. It is understood that said plant will be located in a building to be furnished by you on your plant site in Cleveland, Ohio, and it is estimated that said plant will be ready for operation by 1 June 1914. You will operate said plant in accordance with the directions of the Contracting Officer, it being estimated that the normal output required will be 2200 pounds of Product C516 per day, seven (7) days per week. In the operation of said plant you will produce Product C616 to conform 107 The price per pound of Product Cold shall be as mutually agreed upon, with the specifications set forth in secret letter dated 5 January 1944. >306 required in the production of Product C616.

It is estimated that the cost of the design, procurement and installation of the equipment will be One Hundred Seventy-Five Thousand Dollars (\$175,000), exclusive of the cost of cylinders to be supplied by the Contractor for which reimbursement will be made separately by the Government, but neither party guarantees the correctness of such estimate.

It is agreed that you hereby grant a license to the Contracting Officer or his duly authorized representative to have access to the plant at all times for any purpose in connection with the work to be performed hereunder.

Punds for carrying out this work have been appropriated and are now available for use of the War Department under Procurement Authority 8-25562 Pilo-10.

The Secretary of War finds that it is in the interest of the war effort that this work be not delayed awaiting the negotiation of a formal contract.

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IN REPLY

Fending the execution of such formal contract, each subcontract, order for materials, equipment, other expenditures, and any individual commitment made in furtherance of the performance of this contract, entered into by you for a sum in excess of \$10,000 shall be subject to the prior written approval of the Contracting Officer.

Upon your acceptance hereof, advance payments in accordance with the existing requirements of the Har Department may be made to you upon your application.

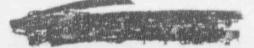
It is contemplated that this contract will be supplemented by the execution of a definitive contract between you and the United States of America following, in general, Mar Department Contract Form Ho. 2. That contract will include an appropriate clause providing for the termination of the contract for the convenience of the United States of America. All applicable contract clauses required by Federal laws, Ensentive orders, and War Department Procurement Regulations to be incorporated in such contracts are hereby incorporated herein by reference and will be incorporated in the formal contract and in all subcontracts herecoder, and Mar Department Procurement America by

Neither this contract, nor any interest therein, or claim thereunder shall be assigned or transferred by you to any other party or parties.

It is understood that disclosure of information relating to the work contracted for hereunder to any person not entitled to receive it, or failure to safeguard all secret, confidential and restricted matter that may more to you or any person under your control in commention with the work under this contract, may subject you, your agents, employees and subcontractors to criminal liability under the laws of the United States. See Title 1 of an Act approved June 15, 1917, (40 Stat. 217; 50 U.J.C. 31-42), as amended by an Act approved March 29, 1940 (54 Stat. 79); and the provisions of an Act approved January 12, 1958 (52 Stat. 3; 50 U.S.C. 45-45d), as supplemented by Executive Order Sc. 8381, dated March 22, 1940, 5 F.R. 1147. You shall cause a like provision to be inserted in all subcontracts under this contract.

You will not permit any alien employed, or to be employed, by you or by any sub-bidder or subcontractor, to have access to the drawings, specifications and accompanying inclosures relating to the performance of this contract, or to the models or material referred to therein, or to engineering principles, composition, subassemblies or assemblies which are vital to the functioning or use of the article or articles forming the subject matter of this contract, without the written consent beforehand of the Secretary of War.

In the event the United States of America is unable 10



negotiate with you a satisfactory contract to supplement this contract prior to 15 March 1944, this contract will terminate and the United States of America will pay you in full settlement thereof a sum equal to reimbursement for all costs incurred by you in connection with the performance of this contract plus such other sums as have actually been expended by you, in good faith, in settlement of all obligations, commitments and claims which you may theretofore have incurred, less any reimbursements previously made, but in any event the total payments shall not exceed the sum of One Hundred Thousand Dollars (\$100,000.00).

It is understood that in connection with your work under this contract, you shall acquire or manufacture for the Government's account certain facilities as agreed to by the Contracting Officer and listed in Scheduls "A" to be attached to the formal contract. As each item of said facilities is delivered to, or manufactured by you, for the Government's account, it shall became and remain the property of the Government and title thersto shall vest in the Government, which hereby grants to you the right to use, without the payment of rental therefor, such facilities in connection with the work herein contracted for.

It is understood and agreed that the meaning of the code symbols, Product CS15 and Product 306, shall be as set forth in a secret letter from the Government to you dated 5 January 1944, agreed to and accepted by you, a copy of which is on file in the Manhattan District Office The contents of said letter are hereby made a part of this contract \_1 the same manner as though fully set forth herein.

If the foregoing is acceptable to you, it is desired that you so indicate hereon and on the inclosed two copies of this letter and return the original and one copy to this office as soon as practicable. Such acceptance will constitute this order a contract and a notice to proceed.

In procuring of critical materials required for performance berrender, this latter contract bears a priority rating of AA-2I.

This instrument is authorized by and has been negotiated under the First War Powers Act, 1941, and Executive Order No. 9001.

Very traly yours,

UNITED STATES OF ALERICA

By 1 ann 17.

JOHN R. RUHOFF Lt. Col., Car ps of Engineers, Contracting Officer.

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HARSHAN, CHEMICAL COMPANY	100
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Cleveland, Chio.	

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Conview 10. 194405 eng-275 Dated: 27 May 1944

SUPPLY COMPRACT

#### WAR DEPARTLENT

CONTRACTOR & ADDRESS:

CONTRACT FOR:

HARSHAW (FILIDAL COMPANY 1945 E. 971 St. Cleveland, Orio

Design, in a reasont, Installation of Equipment, and Operation of a Plant for the Production of Product (clus

\$580,000 CL

Clevelanu, Ohio

To be made and Finance Officer U. S. Aray Knowyillo, To messee

AMCUNT: (Estimated)

LCCATION:

PAYMENT :

The supplies and services to be obtained by this instituent are authorized by, are for the surposes set forth in, and are char backe to the following procurement authority or authorities, the autil to balances of which are sufficient to cover the cost of the same.

8-25562 1-110-07

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This contract is authorized by the following laws:

Statutory Authority \*\* This contract negotiated and somethic under the First Mar Powers Act, 1941, and Executive Order No. 9001.

SPECIAL REREVIEW FINAL DETERMINATION UNCLASSIFIED

Date:



THIS CONTRACT, entered into this 27th day of May 1944, effective as of the 5th day of Jamuary 1944, by and between the UNITED STATES OF AMERICA (hereinafter called the "Government"), represented by the Contracting Officer executing this contract, and HARSHAW CHEATCAL COLPANY, a corporation organized and existing under the laws of the State of Ohio of the City of Cleveland in the State of Ohio (hereinafter called the "Contractor"),

#### WITTMESSETH THAT :

WHEREAS, the Government desires to engage the services of a contractor to develop a process for the production of and to produce the supplies hereinafter set forth, and

WHEREAS, the accomplishment of such services entered into after negotiations approved by the Secretary of War, and without advertising for proposals, is authorized by law and will facilitate the prosecution of the war, and

WHEREAS, as a result of such negotiations the Secretary of War has directed that the Government enter into a contract with the Contractor for the accomplishment of the work hereinafter described:

NON, THEREFORE, the parties hereto do mutually agree as follows: Ut drug (build - (F4)

## ARTICLE I - Scope of This Contract.

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1. The Contractor shall, with the stimost secrecy and dispatch, subject to the approval or ratification of the Contracting Officer, furnish the labor, materials, tools, machinery, equipment, facilities, supplies not furnished by the Government and services, and do all things necessary for the design, procurement, installation of equipment (including, but not limited to, that listed 1, on Schedule A in accordance with the terms of Article XII hereof), and preparation of a plant for production of Product C616 from WE-61 and Product 306, including supplying the original charge of materials other than the Government supplied raw materials (WE-62) and (Product 306), and including research and development during the period 5 January 1944 to 1 May 1944 in connection with a process for the production of Product C616 from WE-61 and Product 306, in buildings and on land owned by the Contractor on its plant site in Cleveland, Chio. The plant shall have a designed, estimated capacity of 3300 pounds of Product Cold daily, mithout factor of safety, and it is estimated that the said plant will be ready for operation by 15 June 1944. As consideration for its undertakings under this section 1, the Contractor shall receive the sum of \$199.872, which amount includes those facilities listed on Schedule A that will be purchased specifically for this contract, the use rent-free, in the performance of the work under this contract, of Contractor-owned facilities for the manufacture of WE-61, the cost of transportation to and installation thereof in the plant, and the original charge of material in preparation for the operation of the plant, but is exclusive of the cost of special laboratory equipment, and of any equipment required for the loading and unloading of shipping containers outside the plant in connection with the work to be performed under this contract. The laboratory and loading and unloading equipment listed in Schedule A to be attached hereto, shall be furnished by the Government, or if the Contracting Officer so directs, shall be procured by the Contractor in accordance with Article XII. In the event the Contracting Officer requests the Contractor to perform services under this section in addition to those set forth herein, the Contractor will receive payment for such services in an amount to be mutually agreed upon. 783 E PEI

2. (a) The Contractor shall do all things necessary to procure for the Government seven hundred and fifty (750) seamless nickel cylinders each having a water capacity of approximately one hundrod and fifty (150) pounds tested at three hundred (300) pounds per square inch hydrostatic pressure, eleven hundred (1100) plain cylinder valves, cleven hundred (1100) cylinder valves with dip-pipes for the said cylinders, six thousand (6,000) D-29 rings (gaskets for cylinder valves), and in addition, furnish the necessary labor for conditioning and assembling the valves with the cylinders. The design for the cylinders, the valves and the attachments thereto shall be approved by the Contracting Officer and representatives of the Keller Corporation. The cylinders will be subject to inspection at the point of manufacture. Any increase in the quantity of cylinders or valves furnished hereunder by the Contractor, not exceeding ten per cent (10%) of the quantities above set forth, will be accepted by the Contracting Officer in performance of the contract, and payment till be made in accordance with the prices hereinafter set forth. The Contractor will be paid for the supplies procured and the labor furnished hereunder as follows:

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- 1. Cylinders, 3176 each, f.o.b. Milwaukes, Misconsin.
- 2. Plain cylinder valves, (1.59 each, delivered
  - · Contractor's plant.

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- Cylinder valves with dip-pipes, 03.25 each, f.o.b. Pittsburgh, Pennsylvania.
- 4. D-29 rines (gaskets for cylinder valves), 0945.44.
- 5. Lebor fc conditioning and essembling valves with cylinders, S1.00 per cylinder.

The contractor shall be reimbursed for expenditures made by it for the Government for freight charges in connection with items 1. and 3. herein from f.o.b. point to Contractor's plant.

(b) If the Contractor or any representative thereof shall be required to travel in connection with the work to be performed and/or the supplies to be produced under this section, the Government will reimburse the Contractor for the transportation, including Pullman there necessary, and will allow for such travel Six Dollars (36.00) per day in lieu of all other expenses. Transportation by automobile on such required travel shall be reimbursed at the rate of five cents (30.05) per mile per vehicle as representing the actual cost of such transportation. All travel shall be either authorized or approved in writing by the Contracting Officer.

3. The Contractor shall, as soon as practicable, proceed to operate the plant on a limited scale during the period 15 March 1964 to 15 June 1964, and during such period, the Contractor shall train the necessary personnel, not, however, to exceed forty (40) people in the operation of said plant. In consideration for his cervices under this section, the Contractor shall receive the sum of Twelve Hundred and Thirty-two Dollars (§1232.00) in full payment for the materials and

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utilities used and/or consumed by him during said period, together with the sum of Two Dollars and sixty cents (\$2.60) per man nour training charge for all personnel engaged in the operation of the clant during the training period, it being understood, however, that the total cost of the training charges under this section shall not exceed Thirty Thousand Dollars (000,000.00). The Contractor shall complete the processing of all incompletely processed Product C616 produced during this training period in the sourse of the operation of the plant subsequent to 15 June 1944, and the Government will reimburse the Contractor for the work required after 15 June 1944 to complete the processing of said Product C616 at the sate of Two Dollars and sixty conts (C2.60) par man hour actually applied to the work. All completely processed Product (616 produced by the Contractor during the training period, and all incompletely processed Product Gold produced during the training paries, but completed by the Contractor during the period of operation of the plant described in section 4 heros, shall be delivered to the Government f.o.b. Contractor's plant, cleveland, Ohio, subject to inspection and acceptance at said plant, and . einbursement for Product C616 so produced and delivered shall be limited to the consideration set forth in this section.

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4. The Contractor shall, commencing 15 June 1944, or as soon as practicable thereafter, proceed to operate said plant in accordance with specifications and directions of the Contracting Officer, and shall produce and deliver to the Government 175,000 pounds of Product Gold during the period 15 June 1944 to 30 September 1944, less the amount of Product Gold produced in accordance with the provisions of, and subject to the price limitation provided in section 3 hereof as follows:

302

A. Product C616 estimated at 60,000 pounds, produced from NE-61 at a price of \$.95 per pound, Product C616 delivered f.o.b. Contractor's plant. Cleveland, Ohio. At the request of the Contracting Officer, the Contractor, at the Government's expense, will ship to such other location or locations as the Contracting Officer may direct.

b. Product C616 estimated at 115,000 pounds, produced from Product 306 at a price of 31.35 per pound Product C616 delivered f.o.b. Contractor's plant, Cleveland. Ohio. At the request of the Commanding Officer, one Contractor, at the Government's expense, will ship to such other location or locations as the Contracting Officer may direct.

C. It is estimated that the normal output of Product 0616 required under this section will be approximately 11,000 pounds weekly, but the Government shall 'zve

SECTION



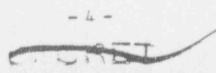
the right from time to time to require the Contractor to increase or decrease this production rate and to produce any amounts of Product C616 the Government may desire within the capacity of the plant.

d. At any time prior to the termination of this contract or any extension thereof, the Government shall have the right to require the Contractor to produce and deliver to the Government additional quantities of Product C616 on terms and conditions to be mutually agreed upon.

5. (a) The Government shall deliver to the Contractor at the Contractor's plant for use in the work to be performed under sections 3 and 4 of this article, such amounts of WE-61 and Product 306, in accordance with specifications to be mutually agreed upon, as shall be necessary for the performance of this contract without cost to the Contractor.

(b) Upon the completion or termination of this contract, the Contractor shall deliver to the Government f.o.b. Contractor's plant, any of said material not used in connection with the contract.

6. The contractor shall use its best efforts to neet the finished product specifications set forth in a secret letter referred to in Article III, but shall not be liable for failure to do 10, emert to the extent of not being paid, as provided herein, for processing any material failing to meet such specifications. The Contractor shall be paid for any or all of Product C616 produced by the Contractor under this contract that mosts the specifications furnished by the Contracting Officer and agreed to by the Contractor. In the event Product Colo does not meet the contract specifications, and the Contracting Officer determines that it is in the interests of the mar effort to accept said material, it shall as paid for at the contract unit price, subject to adjustment in contract price as may be later determined by mutual agreement between the contracting Officer and the Contractor, either in the form of a credit in reduction of the price of the work performed or by actual payment. The lominacting Officer, however, shall have the right to direct the Contractor to rework any part or all of Product 3516 that fails to next ... specifications at the Contractor's science, and the Contractor shall have the right to 1 work any or all a' such material that fails to meet specifications other than the AA specifications at its own orgeness, and after such reworking, if the actor.a? meets the specifications, the Contractor shall be paid for such a worial at the rates prescribed in this Article. The Government agrees that all such sub-specification material which is not removied shall be removed as soon as practicable from the Contractor's plant at the Government's mmense.



7. Inspection and acceptance of any or all of Product C616 produced under this contract shall be made at the Contractor's plant, Cleveland, Ohio.

Phase Management

8. The Contractor hereby grants a license to the Contracting Officer or his duly authorized representative to have access to the plant at all times for any purpose in connection with the work to be performed hereunder.

9. The Contractor shall render to the Contracting Officer such necessary or appropriate reports as the Contracting Officer may require.

#### ARTICLE II - Changes.

the concresting Officer may, at any time, by a written arise, and in notice to one surelies, make changes of any one or more of the collowing the (a) changes in the directions as to a inment and pashing of any supplies (a) increases or decreases in the cuartity of supplies to be furnished is compared the total inpresse or decrease not, herever, is sussed that, per cell (31 ... the custility of supplies deliverable perchador, (a) anyos in the drar or specifications, mere the sugalies to be surplished as a proceedy monutactures in secondules with derivings and specific - 1, (1) at anoth of the delayery spic tules hardting the rute of delayering in at supplies selled for by this contract or (e) accelerrators of the delivery schedules barounder of an incrused or increases in the sac star deliveries hereunder. . mless consorted to is aviving by the forther war, so during a ders persuit of he was achieved in clause (6) of the protocing and shall nause cares as in the deliferrise howeneder, no a course or the operation of the denies of the some courses chall can the second solution of a second solution of the solutions of all can the second solutions of the solutions of all can the second solutions of the solution veries called for surcuniar, andu diag rus postavely in a stage. Is a month to more than Airty our cent (50%) of the quantizer of artisks, the at very of a the is will the in an in month by the deliter a such deliver. It contained in this contract. If such changes cause an internet or issued the accurs of more under this contract or in the cost of performance of the contract of in the time required for its performance - opticable of junction Well 's she walsh beigesherre in training in any instrume a structure of in the president prove filledness of the internet to be reader to be the bear in the terms of the second second to be the second s schedule and the assessed of the second of in written out it give not do for edials with the third of the second appointe the state of States of the other the other states of the states are stated. Diffices, Commencements and Conf. for Sumbly and Song Song Strategy consider of Light signatul chains is serviced as muy in and the first set final sets start f the constract. Is the partiant the construction justumit ... us es el stu diriver a hall be rebarrael ...... test white set that a set of a set at a 小 水 正常算法 经存代工作 and a pro-Fighter and the state of the state and the state of the

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## ARTICLE IV - Deleys-Damages

(a) If the Contractor refuses or fails to make deliveries of the supplies within the time specified in Article I, or any extension thereof, the Government, subject to the provisions of paragraph (b) below, may, by a notice in writing from the Contracting Officer to the Contractor of its intention to terminace under this article, terminate the right of the Contractor to proceed with delivery of the supplies or such parts thereof as to which there has been delay. In such event, the unversioned may (1) require the Contractor to deliver to the Government such completed supplies, partially completed supplies and materials, parts, plans, drawings, information, and contract rights of the Contractor, (hereinafter called manufacturing material), as the Contractor has produced or acquired for the performance of such portion of this contract as to much the right to proceed with delivery is terminated, and accomplish or secure the completion or manufacture of supplies therewith; and, in addition thereto or in lieu . thereof (2) purchase in the open market or secure by contract or otherwise, the manufacture and delivery of supplies similar to those called for by this contract in an amount which together with the supplies, if any, completed under (1) above shall not exceed the amount of supplies the right to proceed with delivery of which is terminated. If delivery is made pursuant to clause (1) of the preceding sentence the Government shall pay to the Contractor, less any previous payments, the following: (a) For each unit of the completed supplies accepted by the Government the unit contract price, and (b) for all partially completed supplies and manufacturing material delivered, the unit contract price for each unit of supplies completed or manufactured therewith, less the cost to the Government of completion or manufacture, but if that cost exceeds the unit contract price, the Contractor and his sureties shall be liable for such excess. If the cost to the Government of supplies procured in accordance with clause (2) above exceeds the corresponding unit price or prices under this contract, the Contractor and his sureties shall be liable for such excess.

(b) The Government shall not have a right of termination under this Article if (1) the delay of the Contractor in making deliveries is an excusable delay, as hereinafter defined, and (ii) the Contractor notifies the Contracting Officer in writing of such delay and the cause thereof, within ten days from the beginning thereof or within such further period as the Contracting Officer shall, with the approval of the Secretary of War or his duly authorized representative, prior to the date of final settlement of the contract, grant for the giving of such notice. Upon receipt of such notification from the Contractor, the Contracting Officer shall ascertain the cause of the delay, and his findings of fact thereon shall be final and conclusive on the parties hereto, subject to appeal mithin 30 days by the Contractor to the Secretary of War or his duly authorized representative, whose decision on such appeal as to the cause of delay shall be final and conclusive on the parties hereto. The term "excusable delay" as used in this paragraph hears any delay in making deliveries which results without fault or negligence on the part of the Contractor and which is due to unforeseeable causes beyond his control including, without being livited to, acts of God or of the public enemy, any preference, priority or allocation arder issued by the Government or any other act of the Government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; and, unless the Contracting Officer shall determine that the material; or supplies to be furnished under a subcontract are procurable in the open market, any delay of a Subcontractor which results without fault or negligence on the part of the Contractor, and which is due to unforesceable causes beyond the control of the Contractor, including without

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#### ARTICLE V - Extres.

Except as otherwise herein provided, an charge for extras will be allowed unless the same have been ordered in writing by the Contracting Officer and the price stated in such order.

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# MATCLE VI - Responsibility for Supplies Tendered.

The Contractor shall be responsible for the articles or materials covered by this contrast until they are delivered at the designated point. There final inspection is at point of origin, but delivery by Contractor is at some other point, the Contractor's responsibility shall continue until delivery is accomplished.

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Unloss otherniss provided herein, no increase or decrease in the total succer of articles contracted for under priciels 1 hereof of 1 be shouthed without the prior prival approval of the Contracting title i.

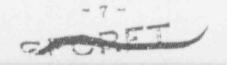
### HEICLE VIII - Paymenta.

1. The Communers a shall be paid, upon the substances of property and lifed involves or vouchers, the prices mental freeze a grid to is thered and new pather of services rendered under Article 1 social 1. ? and 4 of this contrast, loss deductions, if any, as bards new iso the use otherwhile operified, symposis will be rade at particle deliver the transfer by the G very and the should due on such islation as wartable.

2. Parments to the Contractor for cardiess remiered taker article I, morion 1, shall be and as follows:

2. Unless - hereige crowided is the specifications, public purposeds will be made as the work progresses at the erb of each valender month, or as soon blowcufter as provided in resotirated on le and approved by the Contracting of lear. In propring estimates the material delivered on the sate in propring vork done may be taken into consumeration.

b. In satisfy such pertial promers thurn shall be retained los of a stimulated energy of the long completion and enapproach all work provided in the Arbicle 1, success in provided, a mover, then the Cost of thing Difficer, there is after 50% of the work has been contributed, if we finds in the satisfartery progress is being meth, and provided burth that on completion and acceptance of problems to build re. vessel, public work, or other the side of scale restion which the price is stated separately in the contrast, and ment may be hade in full, including revained percentages thereon, loss authorized deductions.



c. All material and work covered by partial purients shall thereupon become the sole property of the Government, but this provision shall not be construed as relieving the Contractor from the sole responsibility for all materials and work upon which payments have been made or the restoration of any damaged work, or as a waiver of the right of the Government to require the fulfillment of all of the terms of the contract.

d. Upon completion and acceptance of all work required under Article I, section 1, the amount due the Contractor under said section will be paid upon the presentation of a properly executed and duly certified voucher therefor, after the Contractor shall have furnished the Government with a release, if required, of all claims against that Government arising under and by virtue of said suction, other than such claims, if any, as may be specifically excepted by the Contractor from the operation of the release in stated amounts to be set forth therein.

# AFTICLE II - Walsh-Healey Act

The representations and stipulations required by Section 1 of the Act of June 30, 1936 (Walsh-Healey Act, Public No. 846, 76th Congress) to be included in all contracts therein specified are hereb - incorporated and made a part of this contract with the same force and effect as if fully set forth in this contract. Such representations and stipulations shall be subject to all applicable regulations, determination and examplions of the Secretary of Labor now or hereafter in effect.

# ARTICLE X - Convict Labor

The Contractor shall not employ any person undergoing centence of imprisonment at hard labor. This provisions shall not be construed to prevent the Contractor or any subcontractor hereunder from obtaining any of the supplies, or any component parts or ingredients thereof, to be furnished under this contract or any of the materials or supplies to be used in connection with the performance of this contract, 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 arrangement under which prison labor is hired by or employed or used by any private firm or corporation.

## ARTICLE XI - Taxus

(e) Unless otherwise indicated in this contract (A) the prices herein do not include any of the following taxes in effect at the date of this contract:

(1) Any Federal tax much is directly applicable to the confleted supplies or work covered hereby (including component parts, articles, or units of which the Sontractor is the manufacturer, importer or producer) and as to which exemption from tax is available, or



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(2) Any state or local sales, use or other tax from which the Contractor or this transaction of the procurement of these supplies or work is exempt,

and (B) the prices herein include all other applicable Federal, State and local taxes in effect at the date of this contract. Upon request of the Contractor the Government will issue tax exemption certificates or furnish other similar proof of exemption with respect to all taxes excluded from the price.

(b) If, after the date of this contract, the Federal Government or any state or local government shall, impose, remove or change (including any change by the removal by statute of an exemption available to the Contractor for the purposes of this contract) any duty, sales, use we excise tax or any other tax or charge directly applicable to the supplies or work covered hereby or the materials used in the manufacture thereof or directly upon the importation, production, processing, manufacture, construction, sale or use of such supplies, work or materials, which tax or charge must be borne by the Contractor because of a specific contractual obligation, or by operation of law, or, in case of a decrease or elimination of any such tax, where the contractor is relieved to that extent, and if in case of an increase in such an existing tax or the imposition of such a new tax the Contractor has paid such tax or charge to the Federal Government or to a state or local government, or any other person, then the prices named herein will be increased or decreased accordingly and any amount due to the Contractor as a result of such change will be charged to the Government and entered on vouchers (or invoices) as a separate item: Provided, however, that the Government reserves the right to issue to the Contractor in lieu of such payment a tax exemption certificate or certificates acceptable to the Federal Government or state or local government, as the case may be. The amount of any adjustment pursuant to this paragraph (b) may be determined by a written agreement between the parties hereto. Nothing contained herein shall be construed as requiring the Government to reimburse the Contractor for any Federal, state or local income taxes, income surtaxes or excess profits taxes, transportation taxes, or taxes on property. For the purposes of any additional procurement of supplies or work called for by any agreement supplemental hereto, the words "date of this contract" shall be deemed to refer to the date of such agreement.

(c) In the case of any state or local tax or charge which the Contractor contends is chargeable to the Government because of the provisions of this Article, or any other provision of this contract, the Contractor agrees to refrain from paying any such tax or charge upon the direction of the Contracting Officer (in which event the Government will save the Contractor harmless from penalties and interest incurred through complisive with the direction of the Contracting Officer not to pay such tax); take such steps as may be directed by the Government to cause such tax or charge to be paid under protest; to preserve and, if so directed by the Contracting Officer, to cause to be assigned to the Government any and all rights to the abatement or refund of such tax or charge; if so requested, to permit the Government to prosecute any claim, litigation or proceeding for the refund of such tax in the name of the Contractor, and to furnish to the Government all reasonable assistance and cooperation requested by the Government in any litigation or proceeding for the recovery of such tax or charge.

## ARTICLE XII - Government -Consed Facilities.

(a) In connection with its work under this contract, the Contractor shall acquire, or manufacture for the Government's account, the facilities liated in Schedule A, to be attached hereto and made a part hereof. Upon the inspection and approval of the Contracting Officer and upon the Contractor's furnishing of satisfactory evidence of payment therefor by him, the Government shall reimburse the Contractor for the cost of such facilities, including but not limited to, transportation and installation costs which are presently estimated at the amounts stated therefor in said Schedule A, or such larger amounts es the Contracting Officer may approve in writing in the event the actual costs exteed such estimated sories, eacept to the extent that the Contractor has been reimbursed for such facilities in accordance with Article I, Section 1 hereof.

Ac solution of the first fulling a list of in Schedule A is reliance of or assisted by the Jontistor for the Government's acround, is tall become at the in the property of the Government, and title take to chail vist in the Jose runce. The Government hereby grants to the Government of rental therefor, such ficil thes in correction with the said herein contracted for and, subtest to the mittee sore of the Government of rental therefor, work for a isk the Covernment of your additional

The Contractor a pass, at the Contractor's expense, to keep the "amilities is good operation condition and repair and to make repairs and replacements to the stern that the space operational activities. The Contractor shall not the formula operational activities. The Contractor shall not the formula operational activities. The Contractor shall not the formula operation of or damage to the facilities unless of the formula operation of or damage to the facilities unless of the formula operation of the damage to the facilities unless of the formula operation of the Contractor's the facilities of the formula of the Contractor's component filters of the formula of the Contractor's component filters of the formula of the contractor's formulation of the state of the Contractor's business of of the whole of any place operate with the filter of the performance of this contract.

(a) In him we all inside a shall be suitably marked date in a sufficient of the ball, half ing that each item is the moreous a the contract of an and the little of the installation of ll start cliftles, to Contract shall submit to the contracting Officer officients and inventors for the cliftles, including the section of the dettailed inventors in the contracting of the dettailed inventors in the contracting of the dettailed inventors in the start sect.

(c) for compared when the body estimated for damages to reverse of the latent of the internal of surgers of other persons on the premises a firster, then a substrated erising from or inclimit to the the of the facility of the contractor shall are the forest of hermhere from any and the side of the forest the forest to its own employees.

(c) The Contract of Officer or his duly sutherized representative thall, at all times, and there is in the contractor's building or buildings, wherein any of the facilities are situated, for the purpose of inspecting or inventorying such is if all all of of removing them upon the completion or termination of this intract, subject is the provisions of paragraphs (g) and (t) hereof



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(f) The Contractor shall not remove, sublease or otherwise part with the possersion of any of the said facilities from the plant without first obtaining the written consent of the Contracting Officer. The Contractor shall not transfer, pledge or assign any of the said facilities in any manner, to any third person, either directly or indirectly, and the Contractor shall not do or suffer anything to be done whereby any of the said facilities shall or may be seized, taken in execution, attached, destroyed or injured. Violation of the provisions of this paragraph or of paragraph (b) shall entitle the Government forthwith to enter upon the precises of the Contractor and remove the facilities therefrom.

(g) Within six (6) months after the completion or termination of this contract or any other contract entered into between the Government and the Contractor for the performance of which such facilities will be used, the Government may serve on the Contractor a written notice of its intention to remove such facilities from the Contractor's plant. Within ninety (90) days after receipt of such notice the Contractor shall dismantle and prepare the facilities for shipment at the Government's expense, and thereupon the Government shall remove the facilities from the Contractor's plant at the Government's expense.

(h) During the period prior to the receipt of such notice, or the expiration of six (6) months after the completion or termination of this contract and of all other contracts entered into between the Government and the Contractor for the performance of which such facilities will be used, whichever happens first, the Contractor shall retain such facilities in its plant, and when directed by the Contracting Officer, and subject to the availability of appropriate funds, place and maintain all such facilities in stand-by condition. Upon the presentation of duly certified invoices or vouchers therefor, and after approval of such invoices or vouchers by the Contracting Officer, the Government shall pay to the Contractor all expenses incurred by it as a result of placing and maintaining such special equipment in such stand-by condition, but such expense shall not include any charge for storage. In the event that the Contracting Officer does not, within said 6-month period, direct the return of said facilities, the Contractor shall have the right a the Government's expense to dismantle and prepare the facilities for shipment and thereafter to require the Government to remove the facilities from the Contractor's plant at the Government's expense.

(1) Upon the expiration of the six-month period referred to in paragraphs (g) and (h) above, and during which the Government has not served notice upon the Contractor of its intention to remove the said plant and facilities, the Contractor shall have the exclusive right to purchase all the right, title and interest in and to all or any part of the Government's plant and facilities for an emount equivalent to the cost of such plant and facilities installed, less an allowance for depreciation of 20% per annum for the period such facilities have been in use under this contract or any supplement thereto, or for an amount equivalent to the highest bone fide bid to the Government by any third party for the sale and removal of the Government's plant and facilities, whichever amount is the higher, or on such other terms as may be mutually agreed upon. In the event the Contractor elects to exercise the option as herein provided, written notice thereof shall be served upon the Government by the Contractor within thirty (30) days after said option becomes operative.

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#### PRIME XIII - Insurance on Government-Ormed Froperty

No insurance of any kind will be required or authorized on or in consection with property, legal title to which is in the United States, in the consession, care, custody, or control of Contractors or otherwise without the prior approval of the District Engineer, Tanhattan District, or his daip supervised representative.

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In order to acsist the Contracting Officer in carrying out the provisions of Sub-Section (c) of Section 403 of the Sinth Supplemental National Defease Appropriation Act (Title IV of Public Law 528 - 77th Cong.) the Consector agrees to Supmish, upon request, a certified statement on the form to be Appriated by the Contracting Officer of actual costs insurred in the partormance of this contract together with supporting data where required, and to include a like provision, in any subcontracts entered into for the partornance of a pertion of the work at the site of operations.

#### ATUME TF - Drawings and Specifications

(a) All drawings, designs, specifications, data and memorance of every description and relating to the mark or any part thereof are to become the property of the Government on completion thereof, subject to the right of the Contractor to retain duplicates thereof for use as records only, and the Government shall have the full right to use said drawings, designs, specifications, data and memoranda in any manner when and where the Government may losignate without any claim on the part of the Contractor for additional comconstition.

(b) All drawings, designs, specifications, data and memorania of every inscription concerning the work shall be delivered to the Government whenever requested by the Contracting Officer; and, furthermore, access to such drawings, issigns, specifications, data and memoranda as may contain classified information shall be restricted to trusted and duly outhorized representatives of the inversions and the Contractor, emept as otherwise specifically authorized by the (covernment).

#### ARAN THI - Officiale Not to Benefit

No anaber of or delegate to Congress or realient commissioner shall be admitted to any share or part of this contract or to any benefit that may while the throm, but this provision shall not be construed to extend to this transact in made with a corporation for fits general benefit.

### MILLE FILL - Covenant Against Contingent Fees

The Contractor warrants that he has not exployed any person to solve or scoure his contract upon any agreement for a normalission, percentage, orokerge or contingent fee. Breach of this warranty shall give the Government the right to annul the contract, or, in its discretion, to deduct from the contract rice or consideration the amount of such commission, percentage, brokerage, or contingent fees. This warranty shall not apply to commissions, payable by contractors upon contracts or soles secured or main the solar fide established

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commercial or selling agencies maintained by the Contractor for the purpose of securing business.

# ARTICLE XVIII - Actt -- Discrimination

(a) The Contractor, in performing the work required by this contract, shall not discriminate against any employee or applicant for employment because of race, creed, color, or national origin.

(b) The Contractor agrees that the provision of paragraph (a) above will also be inserted in all of its subcontracts. For the purpose of this article, a subcontract is defined as any contract entered into by the Contractor with any individual, partnership, association, corporation estate, or trust, or other susiness enterprice or other legal entity, for a specific part of the work to be performed in connection with the supplies or services furnished under this contract; provided, however, that a contract for the furnishing of standard or commercial articles or raw material shall not be considered as a subcontract.

#### ARTICLE XII - Disputes

Except as otherwise specifically provided in this contract, all disputes concerning questions of fact which may arise under this contract, and which are not disposed of by mutual agreement, shall be decided by the Contracting Officer, who shall reduce his decision in writing and mail a copy thereof to the Contractor at his address shown herein. Within 30 days from said mailing, the Contractor may appeal in writing to the Socretary of Jar, whose written decision or that of his designated representative or representatives thereon shall be final and conclusive upon the parties hereto. The Secretary of War may, in his discretion, designate and individual or individuals. other than the Contracting Officer, or a board as his authorized representative to determine appeals under this Article. The Contractor shall be afforded an opportunity to be heard and offer evidence in support of his appeal. The president of the board, from time to time, may divide the board into divisions of one or more members and assign members thereto. A majority of the members of the board or of a division thereof shall constitute a quorin for the transaction of the business of the board or of a division, respectively, and the decision of a majority of the members of the board or of a division shall be deemed to be the medicision of the board or of a division, as the case may be. If a majority of the members of a division are unable to agree on a decision, or if within 30 days after a decusion by a division, the board or the president thereof directs that the decision of the division be reviewed by the board, the inclinion will be so reviewed, otherwise the decision of a majority of the members of a division shall become the decision of the board. If a majority of the members of the board is unable to agree upon a decision, the president will promptly submit the appeal. to the Under Secretary of War for his decision upon the record. A vacancy in the board or in any Hvision thereof shall not incair the pewers, nor affect the duties of the boart or division nor of the remaining members of the opart or divialon respectively. Any members of the board, or any maminer designated by the president of the board for that purpose, may hold hearings, examine witnesser, receive evidence and report the evidence to the board or to the epimopriate division, if the case is pending before a division. Pending ducision of a dispute hereunder, the Contractor shall diligently proceed with the performance of this



contract. An sum or a well well to the Contractor under the provisions of this Article shall be paid by the United States as part of the cost of the articles or work herein contracted for and shall be deemed to be within the contemplation of this contract.

### ARPICIE XI - Ofselo the of Isformetion

It is under more that disclosure of information relating to the work contracted for herounder to any period not on itled to rechive it, or failure to saleguard all coefficient and the not repricted matter that may come to you or any person under your weater's in contention with the work under this contract, we subject not the distribution coefficient subcontractors to criminal had flity under the content the Matter States. (See Title I of an Act approved Carch 27, 1947, the State Chap. (2); and the provisions of an act approved Carch 27, 1947, the State Chap. (2); and the provisions of an act approved Carch 27, 1947, the State Chap. (2); and the provisions of an act approved Carch 27, 1947, the State Chap. (2); and the provisions of an act approved Carch 27, 1947, the State Chap. (2); and the provisions of an act approved Carch 27, 1947, the State Chap. (2); and the provisions of an act approved Carch 27, 1947, the State Chap. (2); and the provisions of an act approved Carch 27, 1947, the State Chapt. (2); and the provisions of an act approved Carch 27, 1947, the State Chapt. (2); and the provisions of an act approved Carch 27, 1947, the State Chapt. (2); and the provisions of an act approved Carch 27, 1947, the State Chapt. (2); and the provisions of an act approved Carch 27, 1947, the State Chapt. (2); and the provisions of an act approved Carch 27, 1947, the State Chapt. (2); and the provisions of an act approves the constant to the constant of the constant of the first the constant of the first the constant of the first the constant of the constant of the constant of the constant of the first the constant of the co

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The Contractor will not permit any allen employed or to be employed by it or by a sub-bilder or elementator, to have access to the drawings, specifications and non-protein molecures relating to the performance of this contract, or to the side or emberials referred to therein, or to espineering principles, some then, subscribiles, or assumblies which are visal to the functioning of the article or articles forming the sublest matter of this contract, without the contract beforchard of the Secretary of mar.

# ARTICLE INTI - Plant Protestion

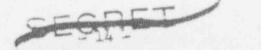
The Contractor shall maintain in and about his plant, adequate plant protection devices and shall exploy such watchmen, guards, and other personnel as the Contracting Officer may deem necessary to prevent espionage, sabotage and other malicious destruction or damage, and upon approval of the Contracting Offiother malicious destruction or damage, and upon approval of properly certified cor, shall be reimbursed coparately upon the submission of properly certified manchers, for any exposes is welthion to these originally contemplated, which are incurred at the direction of the Contracting Officer.

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The Control of the lighted of the Contracting Officer, shall whice the efficer of the contraction of any comment is deemed by the a rest of afficer of the contraction of the plant. In the event any is how on the contracting Offithe officer of the relationstated upon reducet of the Contracting Offistatic the Contractor of the relationstated the costs incident to such re-hiring, is shuding each way as approved by the Contracting Officer.

# N PICLE XX C- ASHATT CLUSS STATE

Neither this contract acr any interest therein or claim thereunder s all be assigned or transferror by you to may other party or parties.



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ARTICLE XXV - Patents

(a) It is understood and agreed that whenever any part scaple discovery or invention is made by the Contractor or its employees in the course of the work called for in this contract, the Contractor shall furnish the Contracting Officer with complete information thereon, and the Contracting Officer shall have the sole power to determine whether or not and where a protect application shall be filed, and to determine the disposition of the title to and the rights under any application or patent that may result. It is further understood and agreed that the judgment of the Contracting Officer on such motors shall be accepted as final, and the Contractor for itself and for its exployees agrees that the inventor or inventors will execute all documents and is all things necessary or proper to carry out the judgment of the Contractor; Officer. The Contractor agrees that it will include the provisions of the work called for in this contract.

(b) In view of the fact that the Contractor has not ace an investigation as to the possibility of patent infringement, and both martles desire to avoid the delay incident to a patent investigation, it is a preed that the Covernment shall hold and save the Contractor harmless from 1: whility of any nature or kind, including costs and expenses for infringement : patent rights arising in the performance of this contract.

(c) The Contractor shall promptly notify the Contractor. Officer, in triting, of any and all claims of infringement of patent right crising in the performance of this contract that may from time to time be wought to the attention of the Contractor, and in the event of litigation of the contractor, and in the event of litigation of thereof, the Contractor shall assist the Government at the Covernment's spense save for the services of employees of the Contractor, in furnishin such evidence as to the use of the patents and other matters of fact as may be required by the Government in such litigation.

(d) The Patent Adviser attached to the Office of Scientific Research and Development, Mashington, D. C., will act as the representative of the Contracting officer for the purpose of administering the provisions of this article, unless another representative is appointed in writting by the Contracting Officer. It is understood, however, that such Patent Evicer shall not be considered a representative of the Contracting Officer to the purpose of making any financial commitments or incurring any financial soligations bercunder.

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### ARTICLE XXVI - Termination at the Option of the Government.

(a) The performance of work under this contract may be terminated by the Government in accordance with this Article in whole, or from time to time in part, whenever the Contracting Officer shall determine any such termination is for the best interests of the Covernment. Termination of work hereunder shall be effected by delivery to the contractor of a Notice of Termination specifying the extent to which performance of work under the contract shall be terminuted, and the date upon which such termination shall become effective. If terminuted, and the date upon which such termination shall become effective. If terminuted, and the date upon which such termination shall become effective. If termination of work under this contract is simultaneous with, a pert of, or in connection with, a general termination (1) of all or substantially all of a group or class of contracts made by the War Department for the same product or for classly related products, or (2) of war contracts at the time of, or following, the cessation of the present hostilities, or any major part there. of, such termination shall only be made in accordance with the provisions of this Article, unless the Contracting Officer finds that the Contract or is then in gross or wilful default under this contract.

(b) After receipt of a Notice of Termination and paradok as otherwise directed by the Contracting Officer, the Contractor shall 1; erminate work under the contract on the date and to the extent specified in the locice of Termination; (2) place no further orders or subcontracts ic: materials, services, or facilities except as may be necessary for completion of such partions of the work under the contract as may not be terminated; (3) terminate all orders and subcontracts to the extent that they relate to the performance of any work terminated by the Notice of Termination; (4) 19.1 a to the Government, in the manmer and to the extent directed by the Contracting Officer. all of the right, title and interest of the Contractor under the orders or subcontracts so terminated; (5) settle all claims arising out of such termination of orders and subcontracts with the approval or rall ... stion of the Contracting Officer to the extent that he may require, while a proval or ratifi ation shall be final for all the purposes of this atione; (6) transfer title and, deliver to the Government in the manner, to the catent and at the times directed by the Contracting Officer (i) the fabricat w. o. unfabricated parts, work in process, completed work, supplies and other material produced as a part of, or acquired in respect of the performance of, the work terminated in the Notice of Termination, and (ii) the plans, draw pro information and other property which, if the contract had been complet a suld be required to be furnished to the Government; (7) use his best efforts a sell in the manner, to the extent, at the time, and at the price or price directed or authorized by the Contracting Officer, any property of the types referred to in subdivision (6) of this paragraph; provided, however, the Contractor (1) shall not be required to extend credit to any purchase . ... (ii) may retain any such property at a price or prices approved by the lastracting Officer: (8) complete performance of such part of the work as hall not have been terminated by the Notice of Termination; and (9) tous such action as may be necessary or as the Contracting Officer may direct in protection and preservation of the property, which is in the possession of the Contractor and in which the Government has or may acquire an intere by

(c) The Contractor and the Contracting Officer man are upon the whole or any part of the abount or amounts to be paid to a machine contractor by

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reason of the total or partial termination of work pursuant to this Article, which amount or amounts may include a reasonable allowance for profit, and the Government shall pay the agreed amount or amounts. Nothing in paragraph (d) of this Article prescribing the amount to be paid to the Contractor in the event of failure of the Contractor and the Contracting Officer to agree upon the whole amount to be paid to the Contractor by reason of the termination of mork pursuant to this Article shall be deemed to limit, restrict or otherwise determine or affect the amount or amounts which may be agreed upon to be paid to the Contractor pursuant to this paragraph o).

(d) In the event of the failure of the Contractor and Contracting Officer to agree as provided in paragraph (c) upon the whole mount to be paid to the Contractor by reason of the termination of work the subset to this Article, the Government, but without duplication of any chounts agreed upon in accordance with paragraph (c), shall pay to the Contractor the following acounts:

(1) For completed articles delivered to and accepted by the Government (or sold or retained as provided in paragraph (b) (7) above) and not theretofore paid for, forthatith a sum equivalent to the aggregate price for such articles computed in accordance with the price or price: pecified in the contract;

(2) In respect of the contract work terminated as the pitted by this Article, the total (mithout duplication of any items) of (1) the cost of such work exclusive of any cost attributable to articles wid or to be paid for under paragraph (d) (1) hereof; (ii) the cost of willing and paying claims arising out of the termination of work under subord racts or orders as provided in paragraph (b) (5) above, exclusive at a encunts paid or payable on account of supplies or materials delivere or services furnished by the subcontrastor prior to the effective date of the notice of termination of work under this contract, which emounts shall be included in the cost on account of which payment is made under subdivision (1) above; and (iii) a sum equal to two per cent (25) of the part of the amount determined under subdivision (i) which represents the cost a prticles or materials not processed by the Contractor, plus a sum equal to sight (2) per cent of the remainder of such amount, but the aggregate of such such shall not exceed six (6) per cent of the thole of the amount ditermined under subdivision (1), which, for the purpose of this subdivision (111), shall exclude any charges for interest on berrowings;

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(3) The reasonable cost of the preservation and protection of property incurred pursuant to paragraph (b) (9) hereof; and way other reasonable cost incidental to termination of work under this contract, including appense incidental to the determination of the amount due to the Contractor as the result of the termination of work under this contract.

The total sum to be paid to the Contractor under subdivisions (1) and (2) of this paragraph (d) shall not exceed the total contract price reduced by the amount of payments otherwise made and by the contract price of work not terminated. Except for normal spoilage and to the extent that there shall be excluded from the amounts payable to the Contractor as provided in paragrap: (d) (1) and paragraph (d) (2) (i), all emonsts allocable to or payable in respect of property, which is destroyed, loss steller, or damaged so as to become undoliverable price to the transfer of steller, or damaged so as to become undoliverable price to the transfer of stelleto the Government or to a buyer pursuant to paragraph (b) (7) or price to the 60th day after delivery to the Government of an inventory covering with property, whichever shall first occur.

(e) The obligation of the Government to make any pave is under this article: (1) shall be subject to deductions in respect 1 (1) all unliquidated partial or progress payments, payments on account theretofore made to the Contractor, and unliquidated advance payments (ii) my claim which the Covernment may have against the Contractor in connection with this contract, and (iii) the price agreed upon or the processic of sale of any materials, supplies or other things retained by the Contractor or sold, and not otherwise recovered by or credited to the Government, all (2) in the discretion of the Contracting Officer, shall be subject by a duction in respect of the amount of any claim of any subcontractor or the paragraph (b) (3) except to the extent that such claim covers (i) to party or materials delivered to the Contractor or (ii) services furnish to the Contractor in connection with the production of completed artic, s under this contract.

(f) In the event that prior to the determination of the final amount to be paid to the Contractor as in this article, provided the Contractor shall file with the Contracting Officer a request for writing that an equitable adjustment should be made in the price or or too specified in the contract, for the work not terminated by the Notice of Termination, the appropriate fair and reasonable adjustment shall be a dim ruch price or prices.

(g) The Government shall make partial payments and the study mount from time to time, of the amounts to which the denty whell be entitled under this Article, whether determined by a train of otherwise, whenever in the opinion of the Contracting

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Officer the aggregate of such payments shall be within the amount to which the Contractor will be entitled hereunder.

(h) For the purposes of paragraphs (d) (2) and (d) (3) hereof, the amounts of the payments to be made by the Government to the Contractor shall be determined in accordance with the Statement of Principles for Determination of Costs upon Termination of Government Fixed Price Supply Contracts approved by the Joint Contract Termination Board, December 31, 1943. The Contractor, for a period of three years after final settlement under the contract, shall make available to the Government at all reasonable times at the office of the Contractor all of its books, records, documents, and other evidence bearing on the costs and expenses of the Contractor under the Contract and in respect of the termination of work thereunder.

#### ARTICLE XXVII - Protoction of Government's Interests.

At all times, the Contractor shall use its best efforts in all acts hereunder to protect and subserve the interest of the Government.

#### ARTICLE XXVIII - Oution to Renew.

Upon receipt of written notice, delivered a reasonable time before the termination of this contract or any extension thereof, the Contractor agrees to execute supplemental agreements to this contract from time to time upon terms to be mutually agreed upon by the parties hereto, for the continuation of any part of the work to be performed hereunder as may be mutually agreed upon, provided, however, that the Contractor does not agree to execute any supplemental agreement or any series of supplemental agreemants which will require the performance of any of the work hereunder beyond the period encing six (5) months after cessation of hostilities between the United States of America and Germany, Italy and Japan.

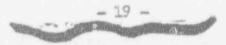
### ARTICLE XXIX - Definitions.

(a) The term "Secretary of War" as used herein shall include the Under Secretary of War, and the term "his duly sutherized representative" shall mean any person or board authorized by the Secretary of War to act for him other than the Contracting Officer.

(b) Except for the original signing of this contract, and except as otherwise stated herein, the term "Contracting Officer" as used herein shall include his duly appointed successor or his authorized representative.

#### ARTICLE XXX - Alterations.

The following changes were made in this contract before it was signed by the partics hereto:



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IN MITNESS THEREOF, the parties hereto have executed in a contract as of the day and year first above written.

THE UNITED STATE OF WIRECA

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Major, Corps of Engineer Contracting Officer

The Harshaw Chemical Co.

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