

PT-001 (06/11)

1. The requirements set forth in this attachment shall not be construed to limit or relieve Seller of any of its obligations set forth or incorporated into Buyer's Purchase Order of which this is a part.
 - a. This attachment applies to all property, including but not limited to, production and raw material, repairables, Special Tooling, Special Test Equipment, and Equipment in possession of Seller (and any subcontractor or supplier of Seller at any tier) which is furnished to, acquired by, or fabricated by Seller (or any subcontractor or supplier of Seller at any tier), title to which is or becomes vested in Buyer or Buyer's customer (the "Customer"). For the purpose of this Purchase Order, such property includes Government property, as defined in Federal Acquisition Regulation (FAR) clause 52.245-1 (Government Property) and is referred to herein as "Buyer/Customer Property".
 - b. In the event the provisions of Buyer's prime contract from the Customer, or the prime contract under which Buyer has been issued a subcontract by a higher-tier contractor, require that title to property acquired by Seller shall vest in Buyer/Customer, title to such property shall vest in Buyer/Customer upon acquisition by Seller. Title to such property shall at that time immediately and directly pass to Buyer/Customer so that title shall not at any time vest in Seller.
2. Seller shall establish and maintain a system to ensure the adequate control and protection of Buyer/Customer Property. Seller shall be relieved of liability and financial accountability for loss, theft, damage or destruction of property in accordance with FAR 52.245-1, unless the subcontract is a fixed price negotiated contract under \$700,000 and Seller has not provided a written statement that casualty insurance is not included in the subcontract price. Seller shall, within two (2) working days, report to Buyer the loss of any Buyer/Customer Property or any such property found stolen, damaged, malfunctioning, destroyed or otherwise unsuitable for use. Seller shall determine and report the root cause and all pertinent facts as soon as they become known, and corrective action taken to prevent reoccurrence, at no additional cost to the Customer, this Purchase Order, or Buyer.
3. Upon receipt of notification from Buyer, Seller shall complete and return within thirty (30) working days a completed Property System Certification describing the system that will be used to control Buyer/Customer Property. Additionally, Buyer may, at its option and at no additional cost to the Government, this Purchase Order or Buyer, conduct surveillance at a reasonable time of Seller's Property Management System as Buyer deems necessary to assure compliance with FAR 52.245-1 (Government Property) and Buyer's Purchase Order. If Buyer and/or Government determine Seller's system is inadequate and Seller is unwilling or unable to take corrective actions, the Buyer and/or Government may revoke the limited risk of loss provision, except for normal wear and tear.
4. Seller shall, commencing with its receipt and during its custody or use of any Buyer/Customer Property, accomplish not less than the following, at no additional cost to the Customer, this Purchase Order, or Buyer:
 - a. examine upon receipt to detect damage in transit;
 - b. verify the contents of the shipment against the packing sheet as to the completeness and content and return a signed copy promptly to Buyer. If no discrepancy is reported within five (5) working days, Buyer/Customer Property shall be deemed to have been received in acceptable condition and to be as listed and described on the accompanying packing sheet. For Buyer/Customer Property which is furnished by the Customer or Buyer, after receipt and installation, if Buyer/Customer Property is in a condition not suitable for use, Seller shall promptly notify Buyer, in writing, so Buyer can determine further course of action;
 - c. unless otherwise specified, perform functional testing prior to further processing or installation to determine satisfactory operation. If Buyer/Customer Property is not suitable for use, Seller shall promptly notify Buyer, in writing;
 - d. establish and maintain records as required by FAR 52.245-1(f)(1)(iii) (Government Property) and this Purchase Order, and make such records available for review upon Buyer's request;
 - e. provide the necessary precautions to guard against damage from handling, deterioration during storage and loss;
 - f. perform periodic inspection to assure adequacy of storage conditions; and
 - g. utilize, consume, move, and store Buyer/Customer Property only as authorized in accordance with FAR 52.245-1 (Government Property) and this Purchase Order, and ensure that Buyer/Customer Property is used only for performing this Purchase Order, unless otherwise provided in this Purchase Order or approved in writing by Buyer.

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5. Seller shall, at no additional cost to the Customer, this Purchase Order or Buyer, perform a physical inventory, at no less than a biennial basis, or per the direction of Buyer, of all Buyer/Customer Property in the possession of Seller. Within sixty (60) days after the completion of each inventory, Seller shall report the results, including all such Buyer/Customer Property located at the facilities of any of Seller's subcontractors at any tier, and shall certify to Buyer the accuracy and completeness of such physical inventory. Seller shall assist Buyer, at no additional cost to the Customer, this Purchase Order or Buyer, in resolving all discrepancies related to Seller's, Seller's subcontractors and suppliers at any tier, or Buyer's inventory accounting.
6. Seller shall not make any modifications or alterations to Buyer/Customer Property, unless they are—
 - a. Reasonable and necessary due to the scope of work under the applicable Purchase Order or its terms and conditions;
 - b. Required for normal maintenance; or
 - c. Otherwise authorized in writing by the Buyer.
7. Any modification or alteration made by Seller that is not authorized, is the sole responsibility of Seller and is accomplished at Seller's expense. If modifications have been authorized by Buyer, Seller shall provide Buyer with the applicable modification detail to include:
 - a. New part number.
 - b. Original part number before modification occurred.
 - c. Cost of modification.
 - d. Engineering order, drawing revision or other engineering authorization number (as applicable).
 - e. Update applicable Seller drawings.
 - f. Any additional record information pertinent to the modification.
8. The Seller shall not cannibalize Buyer/Customer property unless otherwise provided for in this Purchase Order or approved by the Buyer.
9. Seller agrees, at no additional cost to the Government, this Purchase Order or Buyer, to store and maintain in serviceable condition, including the performance of calibration and preventative maintenance, all Buyer/Customer Property in possession of Seller or Seller's subcontractors and suppliers at any tier during the performance of this Purchase Order and until disposition is performed.
10. Seller shall have, at no additional cost to the Customer, this Purchase Order or Buyer, a process to create and provide copies of audits and self-assessments, corrective actions, and other property related reports as requested by Buyer.
11. Immediately upon termination or completion of this Purchase Order, Seller shall perform a physical inventory, and, if Buyer/Customer Property is applicable to such terminated or completed Purchase Order, shall cause its subcontractors and suppliers at every tier to do likewise, at no additional cost to the Customer, this Purchase Order or Buyer, and the following shall apply:
 - a. Buyer will coordinate the disposition of Buyer/Customer Property with the Customer on behalf of Seller. Scrap and excess Customer-owned property is subject to Customer disposition instructions.
 - b. Seller shall execute Buyer's direction for disposition of Buyer-owned property deemed to be excess or scrap and return evidence of said disposition to Buyer. All Buyer/Customer Property shipments, including the related packing and crating tasks, require advance notification, coordination and negotiation with Buyer. Shipment of property to be returned to Buyer is at no additional cost to Customer, Buyer or this Purchase Order unless agreed otherwise in writing by Buyer and Seller.
 - c. Seller shall prepare inventory schedules using Government Standard Form 1428, Inventory Disposal Schedule, or equivalent, of all Buyer/Customer Property in the possession of Seller, or its subcontractors and suppliers at any tier. The Inventory Schedule Forms shall be in such detail as acceptable to Buyer. Seller shall store Buyer/Customer Property identified on an inventory disposal schedule pending receipt of written disposition instructions from Buyer, and shall maintain such property in accordance with the provisions referenced in the paragraph entitled "Property Administration" contained in the "Government Property" clause of the General Terms and Conditions of Purchase, Supplement 1, at no additional expense or cost to the Customer, the Purchase Order or Buyer.

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- d. The responsibility and liability for the decontamination of excess or scrap of Buyer/Customer Property shall be based on the following:

Customer Owned – the Customer is responsible for funding the cost to decontaminate any Customer-owned property. Seller shall negotiate with Buyer to obtain decontamination and removal costs for contaminated property. If the contamination occurs as a “part of doing business”, or if contaminant is introduced as part of Seller’s process, Seller will be responsible for decontamination costs at no cost to the Customer, this Purchase Order or Buyer.

Buyer Owned – if the contamination occurs as a “part of doing business,” or if contaminant is introduced as part of Seller’s process, Seller will be responsible for decontamination costs at no cost to the Customer, this Purchase Order or Buyer.

12. Seller agrees that in placing any lower-tier subcontracts or purchase orders under this Purchase Order which involve the use of Buyer/Customer Property, Seller shall include appropriate provisions to obtain rights comparable to those granted to Buyer and Customer or the Government under the “Government Property” clause contained in the General Terms and Conditions of Purchase, Supplement 1 to this Purchase Order, and this Purchase Order Attachment, and agrees that it shall exercise rights for the benefit of Buyer and Customer and the Government, as Buyer may direct, at no additional cost to the Customer, this Purchase Order or Buyer.
13. If Buyer’s Purchase Order (or, in certain limited circumstances, a Property Accountability Purchase Order) authorizes the use of specified Government-owned property, Seller is authorized to use said Government-owned property on a no-charge basis strictly in the performance of this Purchase Order. Any change in the amount of Government-owned property furnished pursuant to this Purchase Order or Property Accountability Purchase Order, as applicable, is subject to the Changes clause applicable to this Purchase Order. Seller agrees that it will not directly or indirectly, through overhead charges or otherwise, include in the price of this Purchase Order, or seek reimbursement under this Purchase Order for, any rental charge paid by Seller for the use of said Government-owned property in connection with any other contracts or purchase orders without the prior express written authorization of Buyer.

END OF DOCUMENT