



Mobility Systems

An ISO 9001:2000 Registered Company
A division of AAR Manufacturing, Inc.

PURCHASE C Int Non-Commercial Government Contract - (Revised 03/13/2009)

SECTION 1

- 1 Acceptance of Contract/Terms and Conditions
- 2 Applicable Laws
- 3 Assignment
- 4 Communication With AAR Mobility Systems Customer
- 5 Contract Direction
- 6 Definitions
- 7 Disputes
- 8 Excusable Delays
- 9 Export Control
- 10 Extras
- 11 Furnished Property
- 12 Gratuities/Kickbacks
- 13 Importer of Record
- 14 Independent Contractor Relationship
- 15 Information of AAR Mobility Systems
- 16 Information of Seller
- 17 Insurance/Entry on AAR Mobility Systems Property
- 18 Intellectual Property Infringement
- 19 Language and Standards
- 20 Offset Credit/Cooperation
- 21 Packing and Shipment
- 22 Parts Obsolescence
- 23 Payments, Taxes, And Duties
- 24 Precedence
- 25 Priority Rating
- 26 Quality Control System
- 27 Severability
- 28 Survivability
- 29 Release of Information
- 30 Timely Performance
- 31 Waiver, Approval, and Remedies
- 32 Warranty

SECTION II: FAR FLOWDOWN PROVISIONS

- A Incorporation of FAR Clauses
- B Government Subcontract
- C Notes
- D Amendments Required by Prime Contract
- E Preservation of the Government's rights
- F FAR Flowdown Clauses
- G Certifications and Representations



Mobility Systems

An ISO 9001:2000 Registered Company
A division of AAR Manufacturing, Inc.

SECTION I: GENERAL PROVISIONS

1. ACCEPTANCE OF CONTRACT/TERMS AND CONDITIONS

(a) This Contract integrates, merges, and supersedes any prior offers, negotiations, and agreements concerning the subject matter hereof and constitutes the entire agreement between the parties.

(b) SELLER's acknowledgment, acceptance of payment, or commencement of performance, shall constitute SELLER's unqualified acceptance of this Contract.

(c) Additional or differing terms or conditions proposed by SELLER or included in SELLER's acknowledgment hereof are hereby objected to by AAR Mobility Systems and have no effect unless expressly accepted in writing by AAR Mobility Systems.

2. APPLICABLE LAWS

(a) This Agreement shall be construed and governed according to the law of the State of Illinois. If the Vendor is from a country which has ratified the 1980 U.N. Convention on contracts for the International Sale of Goods, the rights and obligations of the parties shall not be governed by such Convention, but shall be governed by the law of the State of Illinois.

(b) (1) SELLER agrees to comply with all applicable laws, orders, rules, regulations, and ordinances of the United States and the country where SELLER will be performing the Contract.

(2) If: (i) AAR Mobility Systems's contract price or fee is reduced; (ii) AAR Mobility Systems's costs are determined to be unallowable; (iii) any fines, penalties or interest are assessed on AAR Mobility Systems; or (iv) AAR Mobility Systems incurs any other costs or damages; as a result of any violation of applicable laws, orders, rules, regulations, or ordinances by SELLER, its officers, employees, agents, suppliers, or subcontractors at any tier, AAR Mobility Systems may proceed as provided for in (4) below.

(3) Where submission of cost or pricing data is required or requested at any time prior to or during performance of this Contract, if SELLER or its lower-tier subcontractors: (i) submit and/or certify cost or pricing data that are defective; (ii) with notice of applicable cutoff dates and upon AAR Mobility Systems's request to provide cost or pricing data, submit cost or pricing data, whether certified or not certified at the time of submission, as a prospective subcontractor, and any such data are defective as of the applicable cutoff date on AAR Mobility Systems's Certificate of Current Cost or Pricing Data; (iii) claim an exception to a requirement to submit cost or pricing data and such exception is invalid; or (iv) furnish data of any description that is inaccurate or, if the UNITED STATES Government alleges any of the foregoing, and, as a result, (1) AAR Mobility Systems's contract price or fee is reduced; (2) AAR Mobility Systems's costs are determined to be unallowable; (3) any fines, penalties or interest are assessed on AAR Mobility Systems; or (4) AAR Mobility Systems incurs any other costs or damages; AAR Mobility Systems may proceed as provided for in (4) below.

(4) Upon the occurrence of any of the circumstances identified in (2) and (3) above, AAR Mobility Systems may make a reduction of corresponding amounts (in whole or in part) in the price, or in the



Mobility Systems

An ISO 9001:2000 Registered Company
A division of AAR Manufacturing, Inc.

costs and fee, of this Contract or any other contract with SELLER, and/or may demand payment (in whole or in part) of the corresponding amounts. SELLER shall promptly pay amounts so demanded.

(c) SELLER represents that each chemical substance constituting or contained in Work sold or otherwise transferred to AAR Mobility Systems hereunder is on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Administration pursuant to the Toxic Substances Control Act (15 U.S.C. Sec. 2601 et seq.) as amended.

(d) SELLER shall provide to AAR Mobility Systems with each delivery any Material Safety Data Sheet applicable to the Work in conformance with and containing such information as required by the Occupational Safety and Health Act of 1970 and regulations promulgated thereunder, or its State approved counterpart.

3. ASSIGNMENT

Vendor may not assign any rights or obligations arising under this Order without the prior written consent of Buyer.

4. COMMUNICATION WITH AAR MOBILITY SYSTEMS CUSTOMER

AAR Mobility Systems shall be solely responsible for all liaison and coordination with the AAR Mobility Systems customer, including the United States Government, as it affects the applicable Prime Contract, this Contract, and any related contract.

5. CONTRACT DIRECTION

(a) Only the AAR Mobility Systems Procurement Representative has authority to make changes in or amendments to this Contract. Such amendments must be in writing.

(b) AAR Mobility Systems engineering and technical personnel may from time to time render assistance or give technical advice or discuss or effect an exchange of information with SELLER's personnel concerning the Work hereunder. Such actions shall not be deemed to be a change under the "Changes" clause of this Contract and shall not be the basis for equitable adjustment.

(c) Except as otherwise provided herein, all notices to be furnished by the SELLER shall be sent to the AAR Mobility Systems Procurement Representative.

6. DEFINITIONS

The following terms shall have the meanings set forth below:

(a) "Contract" means the instrument of contracting, such as this "PO", "Purchase Order", or other such type designation, including all referenced documents, exhibits and attachments. If these terms and conditions are incorporated into a "master" agreement that provides for releases, (in the form of a purchase order or other such document) the term "Contract" shall also mean the release document for the Work to be performed.



Mobility Systems

An ISO 9001:2000 Registered Company
A division of AAR Manufacturing, Inc.

- (b) "FAR" means the Federal Acquisition Regulation, issued as Chapter 1 of Title 48, Code of Federal Regulations.
- (c) "Government" means the Government of the United States of America or any department or agency thereof.
- (d) "AAR Mobility Systems" means AAR Mobility Systems, Inc., as identified on the face of the Contract. If a subsidiary or affiliate of AAR Mobility Systems, Inc. is identified on the face of the Contract, then "AAR Mobility Systems" means that subsidiary or affiliate.
- (e) "AAR Mobility Systems Procurement Representative" means the person authorized by AAR Mobility Systems's cognizant procurement organization to administer and/or execute this Contract.
- (f) "PO" or "Purchase Order" as used in any document constituting a part of this Contract shall mean this "Contract."
- (g) "SELLER" means the party identified on the face of the Contract with whom AAR Mobility Systems is contracting.
- (h) "Work" means all required articles, materials, supplies, goods and services constituting the subject matter of this Contract.

7. DISPUTES

All disputes under this Contract which are not disposed of by mutual agreement may be decided by recourse to an action at law or in equity exclusively in a United States Court of competent jurisdiction located in the State of Illinois. Until final resolution of any dispute hereunder, SELLER shall diligently proceed with the performance of this Contract as directed by AAR Mobility Systems.

8. EXCUSABLE DELAY

(a) Subject to (b) and when mutually agreed by the parties, SELLER shall be excused from, and shall not be liable for, failure of performance due to one or more of the following qualifying events (such list being exclusive):

(i) war; warlike operation; insurrection; riot; fire, explosion, accident, governmental act; material control regulations or orders; act of God; act of the public enemy; epidemic; and quarantine restriction; and if

(ii) Such event was beyond Seller's control and not occasioned by its negligence or default. The contract will be extended for that period of time attributable to such event.

(b) In order to be excused from performance under (a) Seller shall submit, within ten (10) calendar days of the start of the qualifying event, a written notice stating a complete and detailed description of such event, the date of commencement, an estimate of the probable period of delay, and explanation indicating how such event was beyond the control of the Seller and not due to its negligence or fault and what efforts Seller will make to minimize the length of delay. Seller shall submit within ten (10)



Mobility Systems

An ISO 9001:2000 Registered Company
A division of AAR Manufacturing, Inc.

calendar days of the end of the event a written notice stating the impact to the schedule and evidence justifying the length of the delay. If the delay extends for thirty (30) days or more this Contract may be terminated by AAR Mobility Systems without additional cost.

(c) Failure of the United States Government to issue any required export license, or withdrawal/termination of a required export license by the United States Government, shall relieve AAR Mobility Systems of its obligations under this Contract, and shall relieve SELLER of its' corresponding obligations.

9. EXPORT CONTROL

(a) Seller agrees to comply with all applicable United States export control laws and regulations. Without limiting the foregoing, Seller agrees that it will not transfer any export controlled item, data or service, to include transfer to foreign nationals employed by or associated with, or under contract to Seller or Seller's lower-tier suppliers, without the authority of an Export License or applicable license exception.

(b) Seller agrees to notify AAR Mobility Systems if any deliverable Work under this Contract is restricted by export control laws or regulations.

(c) SELLER shall immediately notify the AAR Mobility Systems Procurement Representative if SELLER is listed in any Denied Parties List or if SELLER's export privileges are otherwise denied, suspended or revoked in whole or in part by any U. S. Government entity or agency.

(d) If the technical data required to perform this Contract is subject to the United States International Traffic in Arms Regulations (ITAR), SELLER shall comply with the following:

(i) The technical data shall be used only to manufacture the

Work required by the Contract; and

(ii) The data shall not be disclosed to any other person except lower-tier subcontractors within the same country; and

(iii) Any rights in the data may not be acquired by any foreign person; and

(iv) SELLER, including lower-tier subcontractors, shall return, or at AAR Mobility Systems's direction, destroy all of the technical data exported to SELLER pursuant to the Contract upon fulfillment of its terms; and

(v) Unless otherwise directed by AAR Mobility Systems, SELLER shall deliver the Work only to AAR Mobility Systems or to an agency of the U.S. Government.

(vi) SELLER shall include the terms of this paragraph (d) in all lower-tier subcontracts issued when technical data is provided to the lower-tier subcontractor.



Mobility Systems

An ISO 9001:2000 Registered Company
A division of AAR Manufacturing, Inc.

10. EXTRAS

Work shall not be supplied in excess of quantities specified in the Contract. SELLER shall be liable for handling charges and return shipment costs for any excess quantities.

11. FURNISHED PROPERTY

(a) AAR Mobility Systems may provide to SELLER property owned by either AAR Mobility Systems or its customer (Furnished Property). Furnished Property shall be used only for the performance of this Contract.

(b) Title to Furnished Property shall remain in AAR Mobility Systems or its customer. SELLER shall clearly mark (if not so marked) all Furnished Property to show its ownership.

(c) Except for reasonable wear and tear, SELLER shall be responsible for, and shall promptly notify AAR Mobility Systems of, any loss or damage. Without additional charge, SELLER shall manage, maintain, and preserve Furnished Property in accordance with good commercial practice.

(d) At AAR Mobility Systems's request, and/or upon completion of this Contract the SELLER shall submit, in an acceptable form, inventory lists of Furnished Property and shall deliver or make such other disposal as may be directed by AAR Mobility Systems.

(e) The Government Property Clause contained in Section II shall apply in lieu of paragraphs (a) through (d) above with respect to Government-furnished property, or property to which the Government may take title under this Contract

12. GRATUITIES/KICKBACKS

(a) No gratuities (in the form of entertainment, gifts or otherwise) or kickbacks shall be offered or given by SELLER, to any employee of AAR Mobility Systems with a view toward securing favorable treatment as a supplier. SELLER will comply with all applicable laws, statutes and regulations, orders and rules, including the Foreign Corrupt Practices Act (FCPA).

(b) By accepting this Contract, SELLER certifies and represents that it has not made or solicited and will not make or solicit kickbacks in violation of FAR 52.203-7 or the Anti-Kickback Act of 1986 (41 USC 51-58), both of which are incorporated herein by this specific reference, except that paragraph (c)(1) of FAR 52.203-7 shall not apply.

13. IMPORTER OF RECORD

Applies if the Contract involves importation of Work into the United States.

(a) If elsewhere in the Contract AAR Mobility Systems is indicated as importer of record, Seller warrants that all sales hereunder are or will be made at not less than fair value under the United States Anti-Dumping Laws (19 U. S.C. 1673 et seq.).



Mobility Systems

An ISO 9001:2000 Registered Company
A division of AAR Manufacturing, Inc.

(b) If elsewhere in the Contract AAR Mobility Systems is not indicated as importer of record, then Seller agrees that:

(i) AAR Mobility Systems will not be a party to the importation of Works, the transaction(s) represented by this Contract will be consummated after importation, and Seller will neither cause nor permit AAR Mobility Systems's name to be shown as "Importer Of Record" on any customs declaration; and

(ii) Upon request and where applicable, Seller will provide to AAR Mobility Systems Customs Form 7501 entitled "Customs Entry", properly executed.

14. INDEPENDENT CONTRACTOR RELATIONSHIP

(a) SELLER is an independent contractor in all its operations and activities hereunder. The employees used by SELLER to perform Work under this Contract shall be SELLER's employees exclusively without any relation whatsoever to AAR Mobility Systems.

(b) SELLER shall be responsible for all losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorneys' fees, all expenses of litigation and/or settlement, and court costs, arising from any act or omission of SELLER, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this Contract.

15. INFORMATION OF AAR MOBILITY SYSTEMS

Information provided by AAR Mobility Systems to SELLER remains the property of AAR Mobility Systems. SELLER agrees to comply with the terms of any proprietary information agreement with AAR Mobility Systems and to comply with all proprietary information markings and restrictive legends applied by AAR Mobility Systems to anything provided hereunder to SELLER. SELLER agrees not to use any AAR Mobility Systems provided information for any purpose except to perform this Contract and agrees not to disclose such information to third parties without the prior written consent of AAR Mobility Systems.

16. INFORMATION OF SELLER

SELLER shall not provide any proprietary information to AAR Mobility Systems without prior execution by AAR Mobility Systems of a proprietary information agreement.

17. INSURANCE/ENTRY ON AAR MOBILITY SYSTEMS PROPERTY

In the event that SELLER, its employees, agents, or subcontractors enter the site(s) of AAR Mobility Systems or its customers for any reason in connection with this Contract, then SELLER and its subcontractors shall procure and maintain worker's compensation, comprehensive general liability, bodily injury and property damage insurance in reasonable amounts, and such other insurance as AAR Mobility Systems may require. In addition, SELLER and its subcontractors shall comply with all site requirements. SELLER shall indemnify and hold harmless AAR Mobility Systems, its officers, employees, and agents from any losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorneys' fees, all expenses of litigation and/or settlement, and court costs, by



Mobility Systems

An ISO 9001:2000 Registered Company
A division of AAR Manufacturing, Inc.

reason of property damage or loss or personal injury to any person caused in whole or in part by the actions or omissions of SELLER, its officers, employees, agents, suppliers, or subcontractors. SELLER shall provide AAR Mobility Systems thirty (30) days advance written notice prior to the effective date of any cancellation or change in the term or coverage of any of SELLER's required insurance. If requested, SELLER shall send a "Certificate of Insurance" showing SELLER's compliance with these requirements. SELLER shall name AAR Mobility Systems as an additional insured for the duration of this Contract. Insurance maintained pursuant to this clause shall be considered primary as respects the interest of AAR Mobility Systems and is not contributory with any insurance which AAR Mobility Systems may carry. "Subcontractor" as used in this clause shall include SELLER's subcontractors at any tier.

18. INTELLECTUAL PROPERTY INFRINGEMENT

SELLER warrants that the Work performed and delivered under this Contract will not infringe or otherwise violate the intellectual property rights of any third party in the United States or any foreign country. SELLER agrees to defend, indemnify and hold harmless AAR Mobility Systems and its customers from and against any claims, damages, losses, costs and expenses, including reasonable attorneys fees, arising out of any action by a third party that is based upon a claim that the Work performed or delivered under this Contract infringes or otherwise violates the intellectual property rights of any person or entity.

19. LANGUAGE AND STANDARDS

All reports, correspondence, drawings, notices, marking, and other communications shall be in the English language. The English version of the Contract shall prevail. Unless otherwise provided in writing all documentation and work shall employ the units of United States Standard weights and measures.

20. OFFSET CREDIT/COOPERATION

All offset or countertrade credit value resulting from this Contract shall accrue solely to the benefit of AAR Mobility Systems. SELLER agrees to cooperate with AAR Mobility Systems in the fulfillment of any foreign offset/countertrade obligations.

21. PACKING AND SHIPMENT

- (a) Unless other-wise specified, all Work is to be packed in accordance with good commercial practice.
- (b) A complete packing list shall be enclosed with all shipments. SELLER shall mark containers or packages with neces-sary lifting, loading, and shipping information, including the AAR Mobility Systems contract number, item number, dates of shipment, and the names and addresses of consignor and consignee. Bills of lading shall include this Contract number.
- (c) Unless otherwise specified, delivery shall be FOB Destination.

22. PARTS OBSOLESCENCE



Mobility Systems

An ISO 9001:2000 Registered Company
A division of AAR Manufacturing, Inc.

AAR Mobility Systems may desire to place additional orders for items purchased hereunder. SELLER shall provide AAR Mobility Systems with a "Last Time Buy Notice" at least twelve (12) months prior to any action to discontinue any item purchased under this Contract.

23. PAYMENTS, TAXES, AND DUTIES

(a) Unless otherwise provided, terms of payment shall be net 30 days from the latest of the following: (i) AAR Mobility Systems's receipt of the SELLER's proper invoice; (ii) Scheduled delivery date of the Work; or (iii) Actual delivery of the Work. AAR Mobility Systems shall have a right of setoff against payments due or at issue under this Contract or any other contract between the parties.

(b) Payment shall be deemed to have been made as of the date of mailing AAR Mobility Systems's payment or electronic funds transfer.

(c) Unless otherwise specified, prices include all applicable federal, state and local taxes, duties, tariffs, and similar fees imposed by any government, all of which shall be listed separately on the invoice.

(d) The prices stated in the Contract are firm, fixed prices in United States dollars.

24. PRECEDENCE

Any inconsistencies in this Contract shall be resolved in accordance with the following descending order of precedence: (1) Face of the Purchase Order, Release document or Schedule, (which shall include continuation sheets), as applicable, including any Special Provisions; (2) Any master-type agreement (such as corporate, sector or blanket agreements); (3) these General Provisions; (4) Statement of Work.

25. PRIORITY RATING

If so identified, this Contract is a "rated order" certified for national defense use, and the SELLER shall follow all the requirements of the Defense Priorities and Allocation System Regulation (15 CFR Part 700).

26. QUALITY CONTROL SYSTEM

(a) SELLER shall provide and maintain a quality control system to an industry recognized Quality Standard and in compliance with any other specific quality requirements identified in this Contract.

(b) Records of all quality control inspection work by SELLER shall be kept complete and available to AAR Mobility Systems and its customers.

27. RELEASE OF INFORMATION

Except as required by law, no public release of any information, or confirmation or denial of same, with respect to this Contract or the subject matter hereof, will be made by SELLER without the prior written approval of AAR Mobility Systems.



Mobility Systems

An ISO 9001:2000 Registered Company
A division of AAR Manufacturing, Inc.

28. SEVERABILITY

Each paragraph and provision of this Contract is severable, and if one or more paragraphs or provisions are declared invalid, the remaining provisions of this Contract will remain in full force and effect.

29. SURVIVABILITY

If this Contract expires, is completed, or is terminated, SELLER shall not be relieved of those obligations contained in the following provisions:

(a) Applicable Laws

- Export Control
- Independent Contractor Relationship
- Information of AAR Mobility Systems
- Insurance/Entry on AAR Mobility Systems Property
- Intellectual Property
- Release of Information
- Warranty

(b) Those U. S. Government flowdown provisions that by their nature should survive.

30. TIMELY PERFORMANCE

(a) SELLER's timely performance is a critical element of this Contract.

(b) Unless advance shipment has been authorized in writing by AAR Mobility Systems, AAR Mobility Systems may store at SELLER's expense, or return, shipping charges collect, all Work received in advance of the scheduled delivery date.

(c) If SELLER becomes aware of difficulty in performing the Work, SELLER shall timely notify AAR Mobility Systems, in writing, giving pertinent details. This notification shall not change any delivery schedule.

(d) In the event of a termination for convenience or change, no claim will be allowed for any manufacture or procurement in advance of SELLER's normal flow time unless there has been prior written consent by AAR Mobility Systems.

31. WAIVER, APPROVAL AND REMEDIES

(a) Failure by AAR Mobility Systems to enforce any provision(s) of this Contract shall not be construed as a waiver of the requirement(s) of such provision(s), or as a waiver of the right of AAR Mobility Systems thereafter to enforce each and every such provision(s).

(b) AAR Mobility Systems's approval of documents shall not relieve SELLER from complying with any requirements of this Contract.



Mobility Systems

An ISO 9001:2000 Registered Company
A division of AAR Manufacturing, Inc.

(c) The rights and remedies of AAR Mobility Systems in this Contract are in addition to any other rights and remedies provided by law or in equity.

32. WARRANTY

SELLER warrants that all Work furnished pursuant to this Contract shall strictly conform to applicable specifications, drawings, samples, and descriptions, and other requirements of this Contract and be free from defects in design, material and workmanship. The warranty shall begin upon final acceptance and extend for a period of one (1) year or the manufacturer's warranty period, whichever is longer. If any non-conformity with Work appears within that time, SELLER, at AAR Mobility Systems's option shall promptly repair, replace, or reperform the Work. Transportation of replacement Work and return of non-conforming Work and repeat performance of Work shall be at SELLER's expense. If repair or replacement or reperformance of Work is not timely, AAR Mobility Systems may elect to return the nonconforming Work or repair or replace Work or reprocur the Work at SELLER's expense. All warranties shall run to AAR Mobility Systems and its customer(s).

SECTION II: FAR FLOWDOWN PROVISIONS

A. INCORPORATION OF FAR CLAUSES

The Federal Acquisition Regulation (FAR) clauses referenced below are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable, including any notes following the clause citation, during the performance of this Contract. If the date or substance of any of the clauses listed below is different than the date or substance of the clause actually incorporated in the Prime Contract referenced by number herein, the date or substance of the clause incorporated by said Prime Contract shall apply instead.

B. GOVERNMENT SUBCONTRACT

This Contract is entered into by the Parties in support of a United States Government Contract.

As used in the FAR clauses referenced below and otherwise in this Contract:

1. "Commercial Item" means a commercial item as defined in FAR 2.101. "CONTRACTOR" means the Seller, as defined in CorpDoc3 INT, acting as the immediate (first-tier) subcontractor to AAR Mobility Systems.
2. "Contract" means this contract.
3. "CONTRACTOR" means the SELLER, as defined in this CORPDOC 3 INT, acting as the immediate (first tier) subcontractor to AAR Mobility Systems.



Mobility Systems

An ISO 9001:2000 Registered Company
A division of AAR Manufacturing, Inc.

4. "Prime Contract" means the contract between AAR Mobility Systems and the United States Government or between AAR Mobility Systems and its higher-tier contractor who has a contract with the UNITED STATES Government.

5. "Subcontract" means any contract placed by the CONTRACTOR or lower-tier subcontractors under this Contract.

C. NOTES

1. Substitute "AAR Mobility Systems" for "Government" or "United States" as applicable throughout this clause.

2. Substitute "AAR Mobility Systems Procurement Representative" for "Contracting Officer", "Administrative Contracting Officer", and "ACO" throughout this clause.

3. Insert "and AAR Mobility Systems" after "Government" or "Contracting Officer", as appropriate, throughout this clause.

4. Insert "or AAR Mobility Systems" after "Government" throughout this clause.

5. Communication/notification required under this clause from/to the CONTRACTOR to/from the Contracting Officer shall be through AAR Mobility Systems.

6. "Contracting Officer" shall mean the United States Government Contracting Officer for AAR Mobility Systems's Government Prime Contract under which this Contract is entered.

D. AMENDMENTS REQUIRED BY PRIME CONTRACT

CONTRACTOR agrees that upon the request of AAR Mobility Systems it will negotiate in good faith with AAR Mobility Systems relative to amendments to this Contract to incorporate additional provisions herein or to change provisions hereof, as AAR Mobility Systems may reasonably deem necessary in order to comply with the provisions of the applicable Prime Contract or with the provisions of amendments to such Prime Contract. If any such amendment to this Contract causes an increase or decrease in the estimated cost of, or the time required for, performance of any part of the work under this Contract, an equitable adjustment shall be made pursuant to the "Changes" Clause of this Contract.

E. PRESERVATION OF THE GOVERNMENT'S RIGHTS

If AAR Mobility Systems furnishes designs, drawings, special tooling, equipment, engineering data or other technical or proprietary information (Furnished Items) to which the U. S. Government owns or has the right to authorize the use of, nothing herein shall be construed to mean that AAR Mobility Systems, acting on its own behalf, may modify or limit any rights the Government may have to authorize the CONTRACTOR's use of such Furnished Items in support of other U. S. Government prime contracts.

F. FAR FLOWDOWN CLAUSES.



Mobility Systems

An ISO 9001:2000 Registered Company
A division of AAR Manufacturing, Inc.

REFERENCE TITLE

The following FAR clauses apply to this Contract:

- (a) 52.211-5 MATERIAL REQUIREMENTS (OCT 1997)
- (b) 52.225-11 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (AUG 1998) (In paragraph (a) see Notes 5 and 6.)
- (c) 52.227-14 RIGHTS IN DATA – GENERAL (JUN 1987)
- (d) 52.234-1 INDUSTRIAL RESOURCES DEVELOPED UNDER DEFENSE PRODUCTION ACT TITLE III (DEC 1994) (See Note 2.)
- (e) 52.242-13 BANKRUPTCY (JUL 1995) (See Note 2.)
- (f) 52.242-15 STOP-WORK ORDER (AUG 1989) (See Notes 1 and 2.)
- (g) 52.243-1 CHANGES – FIXED PRICE (AUG 1987) (See Notes 1 and 2. Delete the reference to the “disputes” clause in subparagraph (e).)
- (h) 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (OCT 1998)
- (i) 52.246-2 INSPECTION OF SUPPLIES – FIXED PRICE (AUG 1996) (See Note 2. See Note 3 except in paragraphs (f), (j) and (l) where Note 1 applies.)
- (j) 52.246-4 INSPECTION OF SERVICES – FIXED PRICE (AUG 1996) (See Note 2. See Note 3 except in paragraphs (e) and (f) where Note 1 applies.)
- (k) 52.249-2 TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED-PRICE) (SEP 1996) (See Notes 1 and 2. In paragraph (n) “Government” means “AAR Mobility Systems and the Government” and Contracting Officer” means “AAR Mobility Systems or the Contracting Officer.” . In paragraph (c) “120 days” is changed to “60 days.” In paragraph (d) “15 days” is changed to “30 days,” and “45 days” is changed to “60 days.” In paragraph (e) “1 year” is changed to “6 months.” Paragraph (j) is deleted. In paragraph (l) “90 days” is changed to “45 days.” Settlements and payments under this clause may be subject to the approval of the Contracting Officer.)
- (l) 52.249-8 DEFAULT (FIXED PRICE SUPPLY AND SERVICE) (APR 1984) (See Notes 1 and 2 except Note 1 is not applicable to paragraph (e). Timely performance is a material element of this contract.)

2. The following FAR clauses apply to this Contract if the value of this Contract equals or exceeds \$100,000:

- (a) 52.203-6 RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT (JUL 1995)



Mobility Systems

An ISO 9001:2000 Registered Company
A division of AAR Manufacturing, Inc.

- (b) 52.203-12 LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (JUN 1997) (See Note 5.)
- (c) 52.215-2 AUDIT AND RECORDS-NEGOTIATION (JUN 1999) (Insert “and the AAR Mobility Systems Purchasing Representative” after “the Contracting Officer or representatives of the Contracting Officer” or after “... representatives of the Contracting Officer who are employees of the Government”, where indicated throughout the clause.)
- (d) 52.215-14 INTEGRITY OF UNIT PRICES (OCT 1997) (Delete paragraph (b) of the clause.)
- (e) 52.227-1 AUTHORIZATION AND CONSENT (JUL 1995) (Applicable only if the Prime Contract contains this clause. In subparagraph (a)(1) See Note 4; in subparagraph (a)(2)(ii) see Note 2.)
- (f) 52.227-2 NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT (AUG 1996) (See Notes 2 and 4.)
- (g) 52.247-64 PREFERENCE FOR PRIVATELY OWNED UNITED STATES-FLAG COMMERCIAL VESSELS (JUN 1997) (See Note 2.)
- (h) 52.248-1 VALUE ENGINEERING (MAR 1989) (See Note 1, except in subparagraphs (c)(5) and (m) See Note 3.)

3. The following FAR clauses apply to this Contract if the value of this Contract equals or exceeds \$500,000:

- (a) 52.215-12 SUBCONTRACTOR COST OR PRICING DATA (OCT 1997) (Applicable if not otherwise exempt under FAR 15.403.)
- (b) 52.215-13 SUBCONTRACTOR COST OR PRICING DATA - MODIFICATIONS (OCT 1997) (Applicable for modifications if not otherwise exempt under FAR 15.403.)

4. The following clauses apply as indicated:

- (a) 52.204-2 SECURITY REQUIREMENTS (AUG 1996) (Applicable if the Work requires access to classified information. Delete paragraph (c) of the clause.)
- (b) 52.215-10 PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA (OCT 1997) (Applicable if cost and pricing data is required. See Notes 2 and 4. Rights and obligations under this clause shall survive completion of the Work and final payment under this Contract.)
- (c) 52.215-11 PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA – MODIFICATIONS (OCT 1997) (Applicable if cost and pricing data is required for modifications. See Notes 2 and 4. Rights and obligations under this clause shall survive completion of the Work and final payment under this Contract.)
- (d) 52.215-15 PENSION ADJUSTMENTS AND ASSET REVERSIONS (Dec 1998) (Applicable if this Contract meets the applicability requirements of FAR 15.408(g). See Note 5.)



Mobility Systems

An ISO 9001:2000 Registered Company
A division of AAR Manufacturing, Inc.

- (e) 52.215-16 FACILITIES CAPITAL COST OF MONEY (OCT 1997) (Applicable only if the Contract is subject to the Cost Principles at FAR Subpart 31.2 and the CONTRACTOR proposed facilities capital cost of money in its offer.)
- (f) 52.215-17 WAIVER OF FACILITIES CAPITAL COST OF MONEY (OCT 1997) (Applicable only if the Contract is subject to the Cost Principles at FAR Subpart 31.2 and the CONTRACTOR did not propose facilities capital cost of money in its offer.)
- (g) 52.215-18 REVERSION OR ADJUSTMENT OF PLANS FOR POST-RETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS (OCT 1997) (Applicable if this Contract meets the applicability requirements of FAR 15.408(l) See Note 5.)
- (h) 52.215-19 NOTIFICATION OF OWNERSHIP CHANGES (OCT 1997) (Applicable if this Contract meets the applicability requirements of FAR 15.408(k). See Note 2).
- (i) 52.215-20 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA (OCT 1997) (See Note 2.)
- (j) 52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA – MODIFICATIONS (OCT 1997) (See Note 2.)
- (k) 52.223-3 HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA (JAN 1997) (Applicable if the Contract involves hazardous material. See Notes 2 and 3.)
- (l) 52.223-7 NOTICE OF RADIOACTIVE MATERIALS (JAN 1997) (Applicable to Work containing covered radioactive material. In the blank insert “30”. See Notes 1 and 2.)
- (m) 52.225-9 BUY AMERICAN ACT- TRADE AGREEMENTS BALANCE OF PAYMENTS PROGRAM (JAN 1996) (Applicable if the Work contains other than domestic components as defined by this clause.)
- (n) 52.225-10 DUTY FREE ENTRY (APR 1984) (Applicable if supplies will be imported into the Customs Territory of the United States. In subparagraph (b)(1) the notice provision shall be 20 days. See Notes 3, 5 and 6.)
- (o) 52.227-9 REFUND OF ROYALTIES (APR 1984) (Applicable when reported royalty exceeds \$250. See Notes 1 and 2.)
- (p) 52.227-10 FILING OF PATENT APPLICATIONS-CLASSIFIED SUBJECT MATTER (APR 1984) (Applicable if the Work or any patent application may cover classified subject matter.)
- (q) 52.227-11 PATENT RIGHTS-RETENTION BY THE CONTRACTOR (SHORT FORM) (JUN 1997) (Applies if this Contract is for experimental, developmental, or research Work and CONTRACTOR is a small business concern or domestic nonprofit organization. Reports required by this clause shall be filed with the agency identified in this Contract. If no agency is identified, contact AAR Mobility Systems’s Purchasing Representative identified on the face of the Contract.)



Mobility Systems

An ISO 9001:2000 Registered Company
A division of AAR Manufacturing, Inc.

(r) 52.227-12 PATENT RIGHTS-RETENTION BY THE CONTRACTOR (LONG FORM) (JAN 1997) (Applies if this Contract is for experimental, developmental, or research Work and CONTRACTOR is a large business concern. Reports required by this clause shall be filed with the agency identified in this Contract. If no agency is identified, contact AAR Mobility Systems's Purchasing Representative identified on the face of the Contract.)

(s) 52.228-5 INSURANCE-WORK ON A GOVERNMENT INSTALLATION (JAN 1997) (Applicable if Work performed on Government installation. See Note 2.)

(t) 52.233-3 PROTEST AFTER AWARD (AUG 1996) (In the event AAR Mobility Systems's customer has directed AAR Mobility Systems to stop performance of the work under the Prime Contract under which this Contract is issued pursuant to FAR 33.1, AAR Mobility Systems may, by written order to SELLER, direct SELLER to stop performance of the Work called for by this Contract "30 days" means "20 days" in paragraph (b)(2). Note 1 applies except the first time it appears in paragraph (f). In paragraph (f) add after "33.104(h)(1)" "and recovers those costs from AAR Mobility Systems". See Note 2.)

(u) 52.237-2 PROTECTION OF GOVERNMENT BUILDINGS, EQUIPMENT AND VEGETATION (APR 1984) (Applicable if Work is performed on Government installation. See Note 2.)

(v) 52.243-6 CHANGE ORDER ACCOUNTING (APR 1984) (Applicable only if Prime Contract requires Change Order Accounting. See Note 2; delete reference to the "Disputes" clause in the last sentence.)

(w) 52.245-2 GOVERNMENT PROPERTY (FIXED PRICE CONTRACTS) (DEC 1989) (Note 1 applies except in the phrases "Government property," "Government-furnished property," and in references to title to property Note 2 applies. The following is added as paragraph (m) "Seller shall provide to AAR Mobility Systems immediate notice of any disapproval, withdrawal of approval, or nonacceptance by the Government of property control system.")

(x) 52.245-17 SPECIAL TOOLING (DEC 1989) (Applicable if this Contract involves the use of special tooling. See Note 2. DoD Contracts shall incorporate the (APR 1984) clause.)

(y) 52.245-18 SPECIAL TEST EQUIPMENT (FEB 1993) (Applicable if this Contract involves the acquisition or fabrication of Special Test Equipment. Notice to acquire shall be through AAR Mobility Systems. See Notes, 4, 5, and 6.)

(z) 52.247-63 PREFERENCE FOR UNITED STATES-FLAG AIR CARRIERS (JAN 1997) (Applicable if this Contract involves international air transportation.)

5. The following FAR clauses apply to this Contract, if Work under the Contract will performed in the United States or Contractor is recruiting employees in the United States to Work on the Contract.

(i) The following FAR clauses apply to this Contract:

(a) 52.219-8 UTILIZATION OF SMALL BUSINESS CONCERNS (OCT 1999)



Mobility Systems

An ISO 9001:2000 Registered Company
A division of AAR Manufacturing, Inc.

(b) 52.222-21 PROHIBITION OF SEGREGATED FACILITIES (FEB 1999)

(c) 52.222-26 EQUAL OPPORTUNITY (FEB 1999) (Only subparagraphs (b)(1)-(11) applies.)

(d) 52.223-11 OZONE-DEPLETING SUBSTANCES (JUN 1996) (Applicable if the Work was manufactured with or contains ozone-depleting substances.)

(ii) The following FAR Clauses apply to this Contract if the value

of this Contract equals or exceeds \$10,000:

(a) 52.222-35 AFFIRMATIVE ACTION FOR DISABLED VETERANS AND VIETNAM ERA VETERANS (APR 1998)

(b) 52.222-36 AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (JUNE 1998)

(c) 52.222-37 EMPLOYMENT REPORTS ON DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA (JAN 1999)

(iii) The following FAR Clauses apply to this Contract if the value

of this Contract equals or exceeds \$100,000:

(a) 52.222-4 CONTRACT WORK HOURS AND SAFETY STANDARDS ACT - OVERTIME COMPENSATION (JUL 1995)

(b) 52.223-2 CLEAN AIR AND WATER (APR 1984)

(c) 52.223-14 TOXIC CHEMICAL RELEASE REPORTING (OCT 1996) (Delete subparagraph (e).)

(iv) The following FAR Clauses apply to this Contract if the value

of this Contract equals or exceeds \$500,000:

(a) 52.219-9 SMALL BUSINESS SUBCONTRACTING PLAN (OCT 1999) (Applicable if the CONTRACTOR is not a small business. See Note 1 and Note 2, applicable to subparagraph (c) only. The CONTRACTOR's subcontracting plan is incorporated herein by reference.)

(b) 52.230-3 DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES (APR 1998) (When referenced in the Contract, Modified CAS Coverage applies. In subparagraphs (a)(3)(ii) and (a)(4) see Note 1. Delete paragraph (b) of the clause.)

(c) 52.230-6 ADMINISTRATION OF COST ACCOUNTING STANDARDS (NOV 1999) (Applicable if FAR 52.230-2 or FAR 52.230-3 applies.)

G. CERTIFICATIONS AND REPRESENTATIONS



Mobility Systems

An ISO 9001:2000 Registered Company
A division of AAR Manufacturing, Inc.

(1) This clause contains certifications and representations that are material representations of fact upon which AAR Mobility Systems will rely in making awards to CONTRACTOR. By submitting its written offer, or providing oral offers/quotations at the request of AAR Mobility Systems, or accepting any Contract, CONTRACTOR certifies to the representations and certifications as set forth below in this clause. These certifications shall apply whenever these terms and conditions are incorporated by reference in any Contract, agreement, other contractual document or any quotation, request for quotation oral or written, request for proposal or solicitation (oral or written), issued by AAR Mobility Systems. CONTRACTOR shall immediately notify AAR Mobility Systems of any change of status with regard to these certifications and representations.

(2) The following clauses of the Federal Acquisition Regulation (FAR) are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable to any order, agreement, or subcontract. In each clause incorporated below, substitute "AAR Mobility Systems" for "Government" and "Contracting Agency" and "AAR Mobility Systems Procurement Representative" for "Contracting Officer" throughout.

(A) FAR 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (Applicable to solicitations and contracts exceeding \$100,000)

(i) The definitions and prohibitions contained in the clause, at FAR 52.203-12, Limitation on Payments to Influence Certain Federal Transactions are hereby incorporated by reference in paragraph (b) of this certification.

(ii) CONTRACTOR certifies that to the best of its knowledge and belief that on and after December 23, 1989--

(a) No Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement;

(b) If any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with a solicitation or order, the offeror shall complete and submit, with its offer, OMB standard form LLL, Disclosure of Lobbying Activities, in accordance with its instructions, and

(c) CONTRACTOR will include the language of this certification in all subcontracts at any tier and require that all recipients of subcontract awards in excess of \$100,000 shall certify and disclose accordingly.

(iii) Submission of this certification and disclosure is a prerequisite for making or entering into a contract as imposed by section 1352, title 31, United States Code. Any person who makes an



Mobility Systems

An ISO 9001:2000 Registered Company
A division of AAR Manufacturing, Inc.

expenditure prohibited under this provision or who fails to file or amend the disclosure form to be filed or amended by this provision, shall be subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

(B) FAR 52.209-5 Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters.

(i) CONTRACTOR certifies that, to the best of its knowledge and belief, that CONTRACTOR and/or any of its Principals, (as defined in FAR 52.209-5,) are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency.

(ii) CONTRACTOR shall provide immediate written notice to AAR Mobility Systems if, any time prior to award of any contract, it learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

(3) The following FAR clauses apply to this Contract, if Work under the Contract will be performed in the United State or Contractor is recruiting employees in the United States to Work on the Contract.

(A) FAR 52.222-22 Previous Contracts and Compliance Reports. CONTRACTOR represents that if CONTRACTOR has participated in a previous contract or subcontract subject to Equal Opportunity clause (FAR 52.222-26) (i) CONTRACTOR has filed all required compliance reports and (ii) that representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.

(B) FAR 52.222-25 Affirmative Action Compliance. CONTRACTOR represents (1) that CONTRACTOR has developed and has on file at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or (2) that in the event such a program does not presently exist, CONTRACTOR will develop and place in operation such a written Affirmative Action Compliance Program within 120 days from the award of this Contract.

(C) FAR 52.223-1 Clean Air and Water Certification (Applicable to solicitations and Contracts exceeding \$100,000).

(i) CONTRACTOR certifies that any facility to be used in the performance of a contract is not listed on the Environmental Protection Agency List of Violating Facilities.

(ii) CONTRACTOR shall immediately notify the AAR Mobility Systems Procurement Representative, before any contract award, or the receipt of any communication from the Administrator, or a designee, of the Environmental Protection Agency, indicating that any facility that the Offeror proposes to use for the performance of any contract is under consideration to be listed on the EPA list of Violating Facilities.

(iii) CONTRACTOR will include a certification substantially the same as this certification, including this paragraph (iii), in every non-exempt subcontract.

(D) FAR 52.223-13 Certification Of Toxic Chemical Release Reporting (Applicable to competitive solicitations/contracts which exceed \$100,000)



Mobility Systems

An ISO 9001:2000 Registered Company
A division of AAR Manufacturing, Inc.

(i) Submission of this certification is a prerequisite for making or entering into this Contract imposed by Executive Order 12969, August 8, 1995.

(ii) CONTRACTOR certifies that--

(a) As the owner or operator of facilities that will be used in the performance of this Contract that are subject to the filing and reporting requirements described in section 313 of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) (42 U.S.C. 11023) and section 6607 of the Pollution Prevention Act of 1990 (PPA) (42 U.S.C. 13106), CONTRACTOR will file and continue to file for such facilities for the life of the contract the Toxic Chemical Release Inventory Form (Form R) as described in sections 313(a) and (g) of EPCRA and section 6607 of PPA; or

(b) None of its owned or operated facilities to be used in the performance of this Contract is subject to the Form R filing and reporting requirements because each such facility is exempt for at least one of the following reasons:

(i) The facility does not manufacture, process or otherwise use any toxic chemicals listed under section 313(c) of EPCRA, 42 U.S.C. 11023(c);

(ii) The facility does not have 10 or more full-time employees as specified in section 313.(b)(1)(A) of EPCRA 42 U.S.C. 11023(b)(1)(A);

(iii) The facility does not meet the reporting thresholds of toxic chemicals established under section 313(f) of EPCRA, 42 U.S.C. 11023(f) (including the alternate thresholds at 40 CFR 372.27, provided an appropriate certification form has been filed with EPA);

(iv) The facility does not fall within Standard Industrial Classification Code (SIC) designations 20 through 39 as set forth in FAR section 19.102 of the Federal Acquisition Regulation; or

(v) The facility is not located within any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Northern Mariana Islands, or any other territory or possession over which the United States has jurisdiction.