

CUSTOMER CONTRACT REQUIREMENTS
Topic 1 Rotorcraft Durability
CUSTOMER CONTRACT W911W6-08-2-0005

CUSTOMER CONTRACT REQUIREMENTS

1. The following prime contract special provisions apply to this purchase order:

1. COST PRINCIPLES

If this is a cost-reimbursement contract, the allowability of any expenditures incurred in the performance of the contract will be subject to those Federal cost principles applicable to the particular type of organization concerned. (see 48 CFR 31.103 – 31.108)

2. PATENT RIGHTS

(This article applies only if this contract requires Seller to perform experimental, development, or research work.)

Note: The Technology Investment Agreement Article XII Patent Rights is modified as follows: As used herein, all references to "Boeing" and "Recipient" are changed to "Seller," and "Agreement" shall mean this contract.

ARTICLE XII – PATENT RIGHTS

A. Definitions.

1. All references to "Recipient", as it applies to Article XII, Patent Rights, shall be deemed to be reference to Boeing and any team member. Use of the name "Boeing" is not intended to exclude any team member.
2. "Invention" means any invention or discovery, which is or may be patentable or otherwise protectable under Title 35 of The United States Code.
3. "Made" when used in relation to any invention means the conception or first actual reduction to practice of such invention.
4. "Practical application" means to manufacture, in the case of a composition of matter or product; to practice, in the case of a process or method, or to operate, in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is capable of being utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the Public on reasonable terms.
5. "Subject Invention" means any invention made, or improvement to any invention conceived or first reduced to practice in the performance of work under this Agreement.
6. "Background Invention" means an invention, or improvements to any invention, other than a Subject Invention, which the Recipient has previously conceived, designed,

developed and/or produced, or has concurrently designed, developed and/or produced outside this Agreement.

B. Allocation of Principal Rights.

Unless Boeing will have notified the Government (in accordance with subparagraph C.2 below) that Boeing does not intend to retain title, Boeing will retain the entire right, title, and interest throughout the world to each Subject Invention consistent with the provisions of this Article, and 35 U.S.C. 203. With respect to any Subject Invention in which Boeing retains title, the Government will have a nonexclusive, nontransferable, irrevocable, paid-up license for Government, to practice or have practiced on behalf of the United States the subject Invention throughout the world. Notwithstanding the above, Boeing may elect as defined in its Articles to provide full or partial rights to other parties. All rights and title, to data and inventions developed solely by Boeing prior to the date of this agreement, shall remain solely with Boeing.

C. Invention Disclosure, Election of Title, and Filing of Patent Application.

1. Boeing will disclose each Subject Invention to the Government (through the Agreement Administrator) within six (6) months after the inventor discloses it in writing to his company personnel responsible for patent matters. The disclosure to AATD will be in the form of a written report and will identify the Agreement under which the invention was made and the identity of the inventor(s). It will be sufficiently complete in technical detail to convey a clear understanding to the extent known at the time of the disclosure, of the nature, purpose, operation, and the physical, optical, chemical, biological, or electrical characteristics of the invention. The disclosure will also identify any publication, sale, or public use of the invention and whether a manuscript describing the invention has been submitted for publication and, if so, whether it has been accepted for publication at the time of disclosure.
2. If Boeing determines that it does not intend to retain title to any such invention, Boeing will notify the Government, in writing, within eight (8) months of disclosure to the Government. However, in any case where publication, sale, or public use has initiated the one (1)-year statutory period wherein valid patent protection can still be obtained in the United States, the period for such notice may be shortened by the Government to a date that is no more than sixty (60) calendar days prior to the end of the statutory period.
3. Boeing will file its initial patent application on a Subject Invention to which it elects to retain title within one (1) year after election of title or, if earlier, prior to the end of the statutory period wherein valid patent protection can be obtained in the United States after a publication, or sale, or public use. Boeing may elect to file patent applications in additional countries (or regional Patent Office or pursuant to the Patent Cooperation Treaty) within either twelve (12) months of the corresponding initial patent application or six (6) months from the date permission is granted by the Commissioner of Patents and

Trademarks to file foreign patent applications, where such filing has been prohibited by a Secrecy Order.

4. Any Subject Inventions, jointly made or created by employees of the Government of the United States of America and Recipient, will be jointly owned by those parties. With respect to jointly owned Subject Inventions, the parties will agree, on a case-by-case basis, as to which party will file patent applications, if any. Each party will bear its own patent filing expenses in filing patent applications on joint Subject Inventions. Requests for extension of the time for disclosure, election, and filing under Article XII, subparagraph C. may, at the discretion of the Government, and after considering the position of Boeing, be granted.

D. Conditions When the Government May Obtain Title.

Upon the Government's written request, Boeing will convey title to any Subject Invention to the USA under any of the following conditions:

1. If Boeing fails to disclose or elects not to retain title to the Subject Invention within the times specified in paragraph C of this Article, provided, that the Government may only request title within sixty (60) days after learning of the failure of Boeing to disclose or elect within the specified times.
2. In those countries in which Boeing fails to file patent applications within the times specified in paragraph C of this Article, provided that, if Boeing has filed a patent application in a country after the times specified in paragraph C of this Article, but prior to its receipt of the written request by the Government, Boeing will continue to retain title in that country; or
3. In any country in which Boeing decides not to continue the prosecution of any application for, to pay the maintenance fees on, or defend in reexamination or opposition proceedings on a patent on a Subject Invention, if the Government, at its expense, is going to continue to retain title in that country.

E. Minimum Rights to Boeing and Protection of Boeing's Right to File.

1. Boeing will retain a nonexclusive, royalty free sub-licensable license throughout the world in each Subject Invention to which the Government obtains title, except if Boeing fails to disclose the Subject Invention within the times specified in paragraph C of this Article. The Boeing license extends to the domestic subsidiaries and affiliates, if any, of Boeing within the corporate structure of which Boeing is a party and includes the right to grant licenses of the same scope to the extent that Boeing was legally obligated to do so at the time the Agreement was awarded.

The license is transferable only within the approval of the Government, except when transferred to the successor or that part of the business to which the invention pertains. Government approval for license transfer will not be unreasonably withheld.

2. The Boeing domestic license may be revoked or modified by the Government to the extent necessary to achieve expeditious practical application of Subject Invention

pursuant to an application for an exclusive license submitted consistent with appropriate provisions at 37 CFR Part 404, provided that such revocation or modification will not take place less than three (3) years after the end of the term of the Agreement. This license will not be revoked in that field of use or the geographical areas in which Boeing has achieved practical application and continues to make the benefits of the invention reasonably accessible to the public. The license in any foreign country may be revoked or modified at the discretion of the Government to the extent Boeing, its licensees, or the subsidiaries or affiliates have failed to achieve practical application in that foreign country.

3. Before revocation or modification of the license, the Government will furnish Boeing a written notice of its intention to revoke or modify the license, and Boeing will be allowed thirty (30) calendar days (or such other time as may be authorized for good cause shown) after the notice to show cause why the license should not be revoked or modified.

F. Action to Protect the Government's Interest.

1. Boeing agrees to execute or to have executed and promptly provide to the Agreements Administrator all instruments necessary to: (a) establish or confirm the rights the Government has throughout the world in those Subject Inventions to which Boeing elects to retain title, and (b) convey title to the Government when requested under paragraph D. of this Article and to enable the Government to obtain patent protection throughout the world in that Subject Invention.

2. Boeing agrees to require, by written Agreement, that employees of Boeing, other than clerical and non-technical employees, agree to disclose promptly in writing, to personnel identified as responsible for the administration of patent matters and in a format acceptable to Boeing, each Subject Invention made under this Agreement in order that Boeing can comply with the disclosure provisions of paragraph C. of this Article. Boeing will instruct employees, through employee Agreements or other suitable educational programs, on the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to U.S. or foreign statutory bars.

3. Boeing will notify the Government of any decisions not to continue the prosecution of a patent application, pay maintenance fees, or defend in a re-examination or opposition proceedings on a patent, in any country, not less than thirty (30) calendar days before the expiration of the response period required by the relevant patent office.

4. Boeing will include, within the specification of any United States patent application and any patent issuing thereon covering a Subject Invention, the following statement: "This invention was made with Government support under Agreement No. W911W6-06-2-0006 for the Enhanced Rotorcraft Drive System (ERDS). The Government has certain rights in the invention."

G. Lower Tier Agreements.

1. The Recipient shall include the obligations of the Recipient under this Article, suitably amended to identify the Parties, in all subcontracts or lower tier agreements, regardless of tier, for experimental, developmental, or research work.
2. In the case of a lower tier agreement with a vendor, at any tier, the Government, the vendor, and the Recipient agree that the mutual obligations of the parties created by this Article flow down to the vendor and constitute an agreement between the vendor and the Government with respect to such obligations.

H. Reporting on Utilization of Subject Inventions.

Boeing agrees to submit to the Agreement Administrator during the term of the Agreement, periodic reports no more frequently than annually on the utilization of a Subject Invention or on efforts at obtaining such utilization that are being made by Boeing or licensees or assignees of the inventor. Such reports will include information regarding the status of development, date of first commercial sale or use, gross royalties received by Boeing's subcontractor(s), and such other data and information as the agency may reasonably specify.

Boeing also agrees to provide additional reports as may be requested by AATD in connection with any march-in proceedings undertaken by the Government in accordance with paragraph J of this Article. Consistent with 35 U.S.C. 202(c)(5), the Government agrees it will not disclose such information to persons outside the Government without permission of Boeing.

I. Preference for American Industry.

Notwithstanding any other provision of this clause, Boeing agrees that it will not grant to any person the exclusive right to use or sell any Subject Invention in the United States unless such person agrees that any product embodying the Subject Invention or produced through the use of the Subject Invention will be manufactured substantially in the United States or Canada. However, in individual cases, the requirements for such an agreement may be waived by the Government upon a showing by Boeing that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that, under the circumstances, domestic manufacture is not commercially feasible.

J. March-In Rights.

Boeing agrees that, with respect to any Subject Invention in which it has retained title, the Government has the right to require Boeing, an assignee, or exclusive licensee of a

Subject Invention to grant a nonexclusive license to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if Boeing, assignee or exclusive licensee refuses such a request, the Government has the right to grant such a license itself if the Government determines that:

1. Such action is necessary because Boeing or assignee has not taken effective steps, or is not expected to take within a reasonable time, effective steps to achieve practical application of the Subject Invention, a reasonable time being no less than three (3) years from the end of the term of the Agreement;
2. Such action is necessary to alleviate health or safety needs, which are not reasonably satisfied by Boeing, assignee, or their licensees;
3. Such action is necessary to meet requirements for public use; and such requirements are not reasonably satisfied by Boeing, assignee, or licensees; or
4. Such action is necessary because the Agreement required by paragraph (1) of this Article has not been obtained or waived or because a licensee of the exclusive right to use or sell any Subject Invention in the United States is in breach of such Agreement.

K. Opportunity to Cure.

Certain provisions of this Article provide that the Government may gain title or license to a Subject Invention by reason of Boeing's action or failure to act within the times required by this Article. Prior to claiming such rights (including any rights under Article XII. J., "March-In Rights"), the Government will give written notice to Boeing of the Government's intent and afford Boeing a reasonable period of time to cure such action or failure to act. The length of the cure period will depend on the circumstances, but in no event will be less than sixty (60) days. Boeing may also use the cure period to show good cause why the claiming of such title or right would be inconsistent with the intent of this Agreement, in light of the appropriate timing for introduction of the technology in question, the relative funding and participation of the parties in the development and other factors.

L. Notification of Background Inventions, Disclosures, or Patents

Other inventions. Nothing contained in this Article shall be deemed to grant to the Government any rights with respect to any invention other than a Subject Invention.

3. OTHER INTELLECTUAL PROPERTY RIGHTS

(This article applies only if this contract requires Seller to perform experimental, development, or research work.)

Note: The Technology Investment Agreement Article XIII Other Intellectual Property Rights is modified as follows: As used herein, all references to "Boeing" and "Recipient" are changed to "Seller," and "Agreement" shall mean this contract.

ARTICLE XIII. OTHER INTELLECTUAL PROPERTY RIGHTS

A. Definitions. For the purposes of this Agreement, the following terms have the meanings indicated:

1. "Background Data" means Technical Data produced by Recipient at private expense prior to performance of or outside the scope of this Agreement and is considered by Recipient to be proprietary. Such Background Data may include any modifications, derivatives to previously conceived, designed, developed, and resultant revisions to software, processes, qualification data, and manufacturing plans.
2. "Background Software" means any Software developed by Recipient prior to the performance of this Agreement or outside the scope of work performed under this Agreement and is considered by Recipient to be proprietary.
3. "Government Data" means Data that has been delivered to the Government prior to or outside the terms of this Agreement. The Government's pre-existing rights in that Data govern disclosure and use of such Government Data.
4. "Government Purpose" means any activity in which the United States Government is a party, including cooperative agreements with international or multi-national defense organizations, or sales or transfers by the United States Government to foreign governments or international organizations. Government purposes include competitive procurement, but do not include the rights to use, modify, reproduce, release, perform, display, or disclose technical data for commercial purposes or authorize others to do so.
5. "Government Purpose Rights" means the rights to-
 - (i) Use, modify, reproduce, release, perform, display, or disclose technical data within the Government without restriction; and
 - (ii) Release or disclose technical data outside the Government and authorize persons to whom release or disclosure has been made to use, modify, reproduce, release, perform, display, or disclose that data for United States government purposes.
6. "Limited Rights" as defined in (a)(13) of DFARS 252.227-7013, Rights in Technical Data-Noncommercial Items (NOV 1995).
7. "Proprietary Information" means information which embodies trade secrets or which is privileged or confidential technical, business or financial information provided that such information:
 - (a) is not generally known, or is not available from other sources without obligations concerning its confidentiality;
 - (b) has not been made available by the owners to others without obligation concerning its confidentiality;
 - (c) is not described in an issued patent or a published copyrighted work or is not otherwise available to the public without obligation concerning its confidentiality; or
 - (d) can be withheld from disclosure under 15 U.S.C. § 3710a(c)(7)(A) & (B) and the Freedom of Information Act, 5 U.S.C. § 552 et seq; and
 - (e) is identified as such by labels or markings designating the information as proprietary.
8. "Subject Technical Data", as used in this article, means any Technical Data first produced and delivered during performance of this Agreement.
9. "Technical Data" means recorded information, regardless of the form or method of the

recording, of a scientific or technical nature (including computer software documentation). The term does not include computer software or data incidental to contract administration, such as financial and/or management information.

10. "Unlimited Rights" means rights to use, modify, reproduce, perform, display, release, or disclose technical data in whole or in part, in any manner, and for any purpose whatsoever, and to have or authorize others to do so.

B. Allocation of Principal Rights

This Agreement shall be performed with Government funding and Recipient funding. In consideration of Government funding, the Parties agree as follows as identified in Attachment 6:

1. Background Data provided to the Government shall be limited to that information normally shared with commercial customers or that information specifically negotiated under this Agreement and shall be subject to Limited Rights. Recipient retains all right, title, and interest in such Background Data. Certain deliverable reports/documentation may, by necessity, incorporate Background Data. If so, such report/documentation will be supplied with Limited Rights. Furnishing of "Background Data" by incorporating it into a deliverable report/documentation shall not affect any preexisting Government Rights in such Technical Data.

In addition to the items identified in Attachment 6, other assertions meeting the definition of Background

Data/Background Software may be identified after award. Such identification shall be submitted to the

Grants/Agreements Officer as soon as practical, but in no case shall the additional Background Data be included in any data deliverable until the Agreement is bilaterally amended to reflect such addition. There is no requirement for Software deliverables under this Agreement.

2. The following reports are administrative/management documentation and not considered technical data. They contain Recipient proprietary information and may be marked "Proprietary": Program Management Plan and Bi-Monthly Business/Financial Status Report.

3. The Government shall obtain Unlimited Rights in a version of the Final Report that will not contain any proprietary information. An additional version of the Final Report will be delivered with Government Purpose Rights.

4. The following reports/documentation may include background data thereto: Bi-monthly Technical Status Report, Test Plans and one of the two Final Reports. When Background Data is included and subject to Limited Rights, that Background Data shall be submitted in an appendix to the report/document such that the Government may have Government Purpose Rights in the primary portion of the report/document.

5. To the extent that Government Data is used in the performance of this Agreement, the Government shall retain its preexisting rights in such Data.

C. Recipient shall include the obligations of the Recipient under this Article, suitably modified to identify the Parties, in all subcontracts or lower-tier agreements, regardless of tier, for experimental, developmental, or research work.

D. Marking of Data

1. Pursuant to paragraph B above, technical data delivered under this Agreement with less than unlimited rights shall be marked with one of the following legends as appropriate:

Government Purpose Rights

Agreement No. W911W6-08-2-0005

Contractor Name Boeing

Contractor Address PO Box 16858

Philadelphia, PA 19142-0858

Expiration Date: 28 March 2018

The Government's rights to use, modify, reproduce, release, perform, display, or disclose these technical data are restricted as stated in Agreement W911W6-08-2-0005 between the Government and The Boeing Company. No restrictions apply after the expiration date shown above. Any reproduction of technical data or portions thereof marked with this legend must also reproduce the markings.

Limited Rights

Agreement No. W911W6-08-2-0005

Contractor Name Boeing

Contractor Address PO Box 16858

Philadelphia, PA 19142-0858

The Government's rights to use, modify, reproduce, release, perform, display, or disclose these technical data are restricted as stated in Agreement W911W6-08-2-0005 between the Government and Recipient. Any reproduction of technical data or portions thereof marked with this legend must also reproduce the markings. Any person, other than the Government, who has been provided access to such data must promptly notify the above named Recipient.

2. Further, the deliverable proprietary non-technical data (Program Management Plan and Business/Financial Status Report) not subject to Unlimited Rights, Government Purpose Rights or Limited Rights, shall be marked with the proprietary notice customarily used by Recipient to identify data and information that is subject to restrictions regarding disclosure and/or use. The proprietary notice shall however, also include notation of this Agreement Number "W911W6-08-2-0005".

3. Except for Technical Data or Administrative/Management Reports delivered under this Agreement, the parties agree that Recipient will appropriately advise the Government regarding any limitation or restriction to Technical Data or Computer Software to which the Government may have access. Limitations and restrictions will be subject to the appropriate Recipient or third party markings and legends including a copyright notice to

assure proper handling and shall bear notation to this Agreement Number "W911W6-08-2-0005".

E. Disclosure to Government Support Contractors

The Parties understand and agree that Government support contractors will be collaborating during this effort. These contractors will be reviewing the results of the design activities, analyzing performance and capability claims, and providing general support to Government officials associated with any programmatic efforts associated with further development. The Recipient authorizes the Government to disclose Limited Rights Technical Data and Proprietary non-Technical Data to Government support contractors provided that prior to release or disclosure the Government confirms that such contractors are subject to a non-disclosure agreement (either by virtue of the contract under which they are performing work and which contains DFARS 252.227-7025, Limitations on the Use or Disclosure of Government Furnished Information Marked with Restrictive Legends, or by separate execution of a non-disclosure agreement that is acceptable to Recipient.

4. FOREIGN ACCESS TO TECHNOLOGY

Nothing in this Agreement is intended to change the applicability of the International Traffic in Arms Regulations, 22 CFR part 120 et.seq. and the Department of Commerce Export Administration Regulations, 15 CFR part 730 et.seq. to any disclosure to foreign persons of anything developed under this Agreement. Recipient acknowledges its obligation to comply with referenced regulations.

5. PUBLIC RELEASE OR DISSEMINATION OF INFORMATION

A. Notwithstanding the reporting requirements of this Agreement, Parties to this Agreement favor an open-publication policy to promote the commercial acceptance of the technology developed under this Agreement, but simultaneously recognize the necessity to protect proprietary, privileged, or confidential information of the Agreement because successful commercialization of aspects of the technology by Recipient may depend on the proprietary nature of the information.

B. Recipient is encouraged to publish results of the research projects, unless subject to export controls, in appropriate journals. One advance copy of each release of information to be publicized will be submitted to the Agreement Administrator who will staff request for release. Approval by the Grants/Agreements Officer is required prior to any release. Submit request at least thirty (30) days prior to the anticipated release date.

Two (2) copies of all publications resulting from the project shall be forwarded to the Government Technical Agent upon release. Recipient shall assure that an acknowledgment of Government support will appear on each publication or presentation of any material based upon or developed under this Program. A statement shall appear on

the title page worded substantially as follows: "This research was partially funded by the Government under Agreement No. W911W6-08-2-0005. The U.S. Government is authorized to reproduce and distribute reprints for Government purposes notwithstanding any copyright notation thereon."

C. Recipient is responsible for assuring that every publication of material based on or developed under this Program contains the following disclaimer: "The views and conclusions contained in this document are those of the authors and should not be interpreted as representing the official policies, either expressed or implied, of the Aviation Applied Technology Directorate or the U.S. Government."

6. OFFICIALS NOT TO BENEFIT

No member of or delegate to Congress, or resident commissioner, will be admitted to any share or part of this Agreement, or to any benefit arising from it. However, this article does not apply to this Agreement to the extent that this Agreement is made with a Corporation for the Corporation's general benefit.

7. CERTIFICATIONS

By signing this Agreement or accepting funds under this contract, Seller certifies that it is complying with the requirements of: (1) Title VI of the Civil Rights Act of 1964, as implemented by 32 CFR 195, concerning nondiscrimination in activities under the agreement based on race, color, or national origin; (2) section 504 of the Rehabilitation act of 1973, as implemented by 32 CFR 56, concerning access for people with disabilities; (3) Title IX of the Education Amendment of 1972 concerning discrimination based on sex in Recipient programs and activities including but not limited to those under this Agreement; and (4) Drug-Free Workplace Act of 1988.

8. AUTHORIZATION AND CONSENT

The Government authorizes and consents to all use and manufacture of any invention described in and covered by a United States patent in the performance of the Agreement or any sub-agreement at any tier.

9. NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT

(a) Seller shall report to Buyer (for forwarding to the Grants/Agreements Officer), promptly and in reasonable written detail, each notice or claim of patent or copyright infringement based on the performance of this contract of which Seller has knowledge
(b) In the event of any claim or suit against the Government on account of any alleged patent or copyright infringement arising out of the performance of this contract or out of the use of any supplies furnished or work or services performed under this contract, Seller shall furnish to the Government when requested by the Grants/Agreements Officer, all evidence and information in possession of Seller pertaining to such suit or claim. Such evidence and information shall be furnished at the expense of the Government except

where Seller has agreed to indemnify the Government.

(c) Seller agrees to include, and require inclusion of, this Article (suitably modified to identify the parties) in all sub-agreements at any tier.

10. EQUAL EMPLOYMENT OPPORTUNITY

Seller shall comply with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

11. COPELAND "ANTI-KICKBACK ACT (18 U.S.C.874 and 40 U.S.C.276c)

(This article applies only if this contract is in excess of \$2000 for construction or repair.)

Seller and its subcontractors receiving subcontracts in excess of \$2000 for construction or repair shall comply with the Copeland "Anti-Kickback" Act (18 U.S.C.874), as supplemented by Department of Labor regulations (29 CFR part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subcontractor shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which it is otherwise entitled. Seller shall report all suspected or reported violations to the Federal awarding agency (in this case, the U.S. Army).

12. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C.327-333).

(This article applies only if this contract is in excess of \$100,000 for construction contracts and other purposes that involve the employment of mechanics or laborers.)

Seller shall comply with Sections 102 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C.327-333), as supplemented by Department of Labor regulations (29 CFR part 5). Under Section 102 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than 1½ times the basic rate of pay for all hours worked in excess of 40 hours in the work week. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

13. RIGHTS IN INVENTIONS UNDER A CONTRACT OR AGREEMENT

(This article applies only if this contract requires the performance of experimental, developmental, or research work.)

Seller agrees that the Federal Government and Buyer shall have rights in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

14. CLEAN AIR ACT (42 U.S.C.7401 et seq.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C.1251 et seq.), AS AMENDED

(This article applies only if this contract is in excess of \$100,000.)

Seller agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C.7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C.1251 et seq.). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

15. BYRD ANTI-LOBBYING AMENDMENT (31 U.S.C. 1352)

(This article applies only if this contract is \$100,000 or more.)

Seller shall file the required certification by the Act. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C.1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to Buyer.