

STORAGE OF MATERIAL AT SELLERS PLANT

INVOICES WILL BE ACCEPTED AND PAID BY ELECTRIC BOAT CORPORATION UPON COMPLETION OF MANUFACTURE IF THE FOLLOWING IS ACCOMPLISHED:SELLER INCLUDES A NOTARIZED CERTIFICATE OF COMPLETION OF MANUFACTURE FOR EACH BILLING.SELLER PROVIDES A WAIVER OF LIEN.SELLER PROVIDES A "RIDER" ON ITS INSURANCE POLICY INDICATING THAT ELECTRIC BOAT CORPORATION AND THE U.S. GOVERNMENT ARE NAMED AS ADDITIONAL INSURED FOR THE ITEMS BILLED.IF THE MATERIAL/EQUIPMENT REQUIRES PREVENTIVE MAINTENANCE, AS IDENTIFIED BY THE BUYER, SELLER SHALL SUBMIT A WRITTEN PREVENTIVE MAINTENANCE PROCEDURE TO ELECTRIC BOAT CORPORATION FOR APPROVAL AND SHALL MAINTAIN SUCH MATERIAL AND/OR EQUIPMENT IN ACCORDANCE WITH THE PROCEDURE AS APPROVED BY ELECTRIC BOAT CORPORATION. SELLER AGREES TO PLACE THE MATERIAL ON THIS ORDER IN STORAGE AT ITS PLANT UNTIL THE REQUIRED DELIVERY DATE(S). IN ACCORDANCE WITH BUYER'S PRIME CONTRACT AND ARTICLE ENTITLED "RESPONSIBILITY FOR SUPPLIES" OF THE CONDITIONS OF PURCHASE, IT IS AGREED THAT TITLE TO THE SUPPLIES, FREE AND CLEAR OF ANY AND ALL LIENS AND ENCUMBRANCES, SHALL PASS TO THE U.S. GOVERNMENT AT THE POINT WHERE THE SUPPLIES ARE PLACED IN STORAGE PURSUANT TO THIS CLAUSE, UNLESS TITLE HAS ALREADY PASSED TO THE GOVERNMENT PURSUANT TO THE PROGRESSIVE PAYMENTS CLAUSE (IF ANY).