

FLYSHEET GG-1 - NON-TERMINATION RESIDUAL INVENTORY

Notwithstanding the provisions of the clause attached to this order, if any, entitled "Progress Payments," title to non-termination residual equipment, spares, material or work in process, properly acquired for performance but not required to be delivered as a line item under this order, shall vest in the Government or Buyer, as appropriate, upon recognition and acceptance of the entire cost thereof as a direct cost element in prices. Except as may be otherwise agreed upon in writing by Buyer and Seller all such property shall be held by the Seller for the account of the Government or the Buyer and disposed of in accordance with instructions from the Buyer or the Contracting Officer which shall be issued on a timely basis. Seller shall incorporate a similar provision in all fixed-price incentive or redeterminable subcontracts or purchase orders issued hereunder.

END