

15 September 2010

PRIME  
SUPPLEMENTAL  
FLOW DOWM  
DOCUMENT  
FOR F-2/T-50 PRIME CONTRACT  
FSM-21341 – ASE JFY2010  
System Sustainment Contract

## ARTICLE 32. TERMINATION

Replace Article 32 in CORPDOC 1SER with the following:

- 32.1 Without prejudice to any other right or remedy that one Party may have against the other Party for breach of this contract, this Contract may be terminated by either Party upon providing thirty (30) days written notice by either party of termination to the other Party if:
  - 32.1.1 the MoD terminates MHI's prime Contract for the F-2 Aircraft Program for any reason; or
  - 32.1.2 an excusable delay condition, as described in Article 7, lasts longer than sixty (60) days; or
  - 32.1.3 the USG MLA, which authorizes tasks under this Contract is terminated; or
  - 32.1.4 the C-12 Contract between MHI and LM Aero for F-2 Production is terminated for any reason.
- 32.2 Expiration or termination of this Contract for any reason shall not in any case operate to relieve either Party from its responsibility to fulfill any obligations under the provisions of this Contract which shall have accrued to such Party prior to the time of such expiration or termination.
- 32.3 Expiration or termination of this Contract:
  - 32.3.1 shall for any reason not relieve MHI of the responsibility to separately authorize and fund any required close-out activities;
  - 32.3.2 by either party upon thirty (30) days written notice, if the other party shall violate any of the provisions or conditions of the Contract and shall fail to discontinue or remedy such violation within said period of thirty (30) days;
  - 32.3.3 by either party immediately, if the other party shall become insolvent or unable to pay its debts as they mature, shall institute a bankruptcy, reorganization, or insolvency proceeding or have such a proceeding instituted against it which is not dismissed within thirty (30) days, shall make an assignment for the benefit of creditors, or shall commence dissolution or liquidation proceedings;

- 32.3.4 by either party immediately upon written notice, if a third party or third party group acquires directly or indirectly from the present owner's thereof voting control of or a major equity interest in the other party;
  - 32.3.5 by either party immediately upon written notice, if the other party shall transfer the whole or any substantial part of its assets or suspend its business activities; or
  - 32.3.6 by either party in accordance with the Force Majeure provisions of Article 26.
- 32.4 The Parties agree that neither Party shall have the right to unilaterally terminate this contract for convenience.
- 32.5 The termination of the Contract under this Article 32 shall not operate to relieve either of the parties from its responsibility to fulfill any obligations under the provisions of the Contract which have accrued to such party prior to the time of such termination.
- 32.6 The completion or termination of the Contract for any reason shall not affect confidentiality obligations under Articles 13, 15 and 33, and all provisions of the Contract pertaining to such confidential treatment shall survive such completion or termination and continue in full force and effect.

#### ARTICLE 35. WARRANTY

Replace Article 35 in CORPDOC 1SER with the following:

- 35.1 LM Aero shall warrant the Works performed and that its representatives are qualified in their particular field and will perform their specific Engineering Tasks in a professional manner.
- 35.2 The warranty stated above represents the sole warranty offered and all implied, statutory or other warranties, conditions or liabilities whether as to fitness, merchantability or otherwise are hereby excluded.