

PURCHASE ORDER ATTACHMENT FN-003

MILESTONE BILLING

- A. The intent of this provision is to permit interim payment prior to completion of the total effort required by this purchase order. It is mutually understood and agreed that, with respect to the dates set forth below; time shall be the essence.
- B. Provision 18, entitled, "COMPLIANCE WITH LAW", of the General Terms and Conditions of Purchase remains in full force and effect including the addition hereto of the following:

Seller shall submit to the Buyer duplicate copies of the invoices submitted by Seller to Buyer's accounts payable department for payment.

Billings for complete milestones shall be submitted by Seller to Buyer upon completion thereof.

- C. The Buyer shall have the right to reduce or suspend milestone payments to the Seller in the event Seller fails to complete on schedule the milestone events identified below. Notwithstanding any payment made by Buyer to Seller under this clause, it is understood and agreed that if this purchase order is terminated for default, Seller shall, upon demand, repay to Buyer all such sums theretofore paid by Buyer to Seller hereunder.
- D. Upon completion of the milestone work, Seller's written verification of milestone completion, delivery to and acceptance of milestone work by Buyer, title to such milestone work shall vest in the Buyer and/or the Government. Notwithstanding that title to such milestone work is in the Buyer or the Government through operation of this clause, the handling and disposition of such milestone work shall be determined by the applicable provisions of this purchase order.
- E. The rights and remedies of the Buyer or the Government, with respect to this clause, shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract. Payment or vesting of title pursuant to this clause shall neither excuse the Seller from performance of his obligations under this purchase order, nor constitute a waiver of any of the rights and remedies of the parties under this purchase order. Delay or failure of the Buyer or the Government in exercising any right, power or privilege, under this clause shall neither affect any such right, power or privilege, nor shall any single or partial exercise thereof preclude or impair any further exercise of any other right, power, or privilege of the Buyer.

END OF DOCUMENT

The text of this document shall not be changed except by written agreement between Buyer and Seller.