

| | | | |
|-----------------------|---|-------------|-------------|
| AWARD/CONTRACT | 1. This Contract Is A Rated Order Under DPAS (15 CFR 700) | Rating DOA5 | Page 1 Of 8 |
|-----------------------|---|-------------|-------------|

| | | |
|---|--------------------------------|---|
| 2. Contract (Proc. Inst. Ident) No. W52H09-04-C-0218 | 3. Effective Date 2004SEP02 | 4. Requisition/Purchase Request/Project No. SEE SCHEDULE |
|---|--------------------------------|---|

| | | | |
|--|----------------|---|----------------|
| 5. Issued By TACOM-ROCK ISLAND AMSTA-LC-CSC-A MAJ DONALD W HURST (309)782-5143 ROCK ISLAND IL 61299-7630 | Code W52H09 | 6. Administered By (If Other Than Item 5) DCMA GENERAL DYNAMICS ARMAMENT SYSTEMS TEAM 128 LAKESIDE AVE BURLINGTON VT 05401-4985 | Code S4601A |
| e-mail address: HURSTD@RIA.ARMY.MIL | | SCD C PAS NONE | ADP PT HQ0337 |

| | |
|--|--|
| 7. Name And Address Of Contractor (No. Street, City, County, State, And Zip Code) GENERAL DYNAMICS ARMAMENT AND TECHNICAL PRODUCTS, INC. 128 LAKESIDE AVENUE BURLINGTON, VT. 05401-4985 TYPE BUSINESS: Large Business Performing in U.S. | 8. Delivery <input checked="" type="checkbox"/> FOB Origin <input type="checkbox"/> Other (See Below) |
| 9. Discount For Prompt Payment | |
| 10. Submit Invoices (4 Copies Unless Otherwise Specified) | |
| Code 05606 | Item 12 |
| Facility Code 26978 | To The Address Shown In: |

| | | | |
|--------------------------------------|------|--|----------------|
| 11. Ship To/Mark For SEE SCHEDULE | Code | 12. Payment Will Be Made By DFAS COLUMBUS CENTER NORTH ENTITLEMENT OPERATIONS PO BOX 182266 COLUMBUS OH 43218-2266 | Code HQ0337 |
|--------------------------------------|------|--|----------------|

| | |
|---|--|
| 13. Authority For Using Other Than Full And Open Competition: <input checked="" type="checkbox"/> 10 U.S.C. 2304(c)(1) <input type="checkbox"/> 41 U.S.C. 253(c) | 14. Accounting And Appropriation Data SEE SECTION G |
|---|--|

| | | | | | |
|--|--|---------------|-----------|-----------------|-------------|
| 15A. Item No. SEE SCHEDULE | 15B. Schedule Of Supplies/Services CONTRACT TYPE: Firm-Fixed-Price | 15C. Quantity | 15D. Unit | 15E. Unit Price | 15F. Amount |
| 15G. Total Amount Of Contract \$11,205,324.00 | | | | | |

| 16. Table Of Contents | | | | | | | |
|-----------------------|---------|---------------------------------------|---------|---|---|---------------------|---------|
| (X) | Section | Description | Page(s) | (X) | Section | Description | Page(s) |
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| X | B | Supplies or Services and Prices/Costs | 3 | Part III - List Of Documents, Exhibits, And Other Attachments | | | |
| | C | Description/Specs./Work Statement | | X | J | List of Attachments | 8 |
| | D | Packaging and Marking | | Part IV - Representations And Instructions | | | |
| | E | Inspection and Acceptance | | K | Representations, Certifications, and Other Statements of Offerors | | |
| | F | Deliveries or Performance | | L | Instrs., Conds., and Notices to Offerors | | |
| X | G | Contract Administration Data | 5 | M | Evaluation Factors for Award | | |
| | H | Special Contract Requirements | | | | | |

Contracting Officer Will Complete Item 17 Or 18 As Applicable

| | |
|--|---|
| 17. <input checked="" type="checkbox"/> Contractor's Negotiated Agreement (Contractor is required to sign this document and return 2 signed copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.) | 18. <input type="checkbox"/> Award (Contractor is not required to sign this document.) Your offer on Solicitation Number _____ including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary. |
|--|---|

| | |
|--|---|
| 19A. Name And Title Of Signer (Type Or Print) | 20A. Name Of Contracting Officer CEAN L HARTLEBEN HARTLEBENC@RIA.ARMY.MIL (309)782-3429 |
| 19B. Name of Contractor | 20B. United States Of America |
| By _____ (Signature of person authorized to sign) | By _____ /SIGNED/ (Signature of Contracting Officer) |
| 19c. Date Signed | 20C. Date Signed 2004SEP02 |

CONTINUATION SHEET

Reference No. of Document Being Continued

Page 2 of 8

PIIN/SIIN W52H09-04-C-0218

MOD/AMD

Name of Offeror or Contractor: GENERAL DYNAMICS ARMAMENT AND TECHNICAL PRODUCTS, INC.

SECTION A - SUPPLEMENTAL INFORMATION

1. THIS CONTRACT AWARDS AN UNDEFINITIZED CONTRACTUAL ACTION (UCA), IN ACCORDANCE WITH APPLICABLE REGULATORY PROVISIONS, TO GENERAL DYNAMICS ARMAMENT AND TECHNICAL PRODUCTS, INC. (GDATP) FOR 45 EACH M2 50 CAL FLEX MACHINE GUN OVERHAUL KITS AND 855 EACH RECEIVER, CARTRIDGE AT A TOTAL CEILING PRICE OF \$26,530,650.00. THIS CONTRACT HAS AN EVALUATED OPTION CLAUSE. THE TOTAL CEILING AMOUNT FOR CLIN 0001 - 45 EACH M2 50 CAL FLEX MACHINE GUN OVERHAUL KITS IS \$23,114,925.00. THE TOTAL CEILING AMOUNT FOR CLIN 0002 - 855 EACH RECEIVER, CARTRIDGE IS \$3,415,725.00. IN ACCORDANCE WITH DFARS 217.7404-4, "LIMITATIONS OF OBLIGATIONS", THE TOTAL AMOUNT OBLIGATED AT THIS TIME IS APPROXIMATELY 42% OF THE CEILING PRICE OR \$11,205,324.00. GDATP SHALL PROCEED WITH PERFORMANCE OF THE WORK, INCLUDING PURCHASE OF NECESSARY MATERIAL UPON AWARD OF THIS CONTRACT.

2. THE CEILING PRICE STATED ABOVE IS SUBJECT TO DOWNWARD NEGOTIATION ONLY. AT THIS TIME, THE GOVERNMENT'S MAXIMUM LIABILITY FOR THE PRODUCTION OF M2 50 CAL FLEX MACHINE GUN OVERHAUL KITS AND RECEIVERS IS \$11,205,324.00, THE CURRENT OBLIGATED AMOUNT. UPON DEFINITIZATION, THIS FIRM FIXED PRICE CONTRACT WILL BE FUNDED TO THE ACTUAL AMOUNT NEGOTIATED NOT TO EXCEED THE CEILING PRICE.

3. THE DEFINITIZATION SCHEDULE IS AS FOLLOWS:

PROJECTED DATE FOR SUBMISSION OF PROPOSAL WITH COST OR PRICING DATA - 15 OCT 2004

PROJECTED DATE TO BEGIN NEGOTIATIONS - 15 NOV 2004

PROJECTED COMPLETION DATE OF NEGOTIATIONS - 30 NOV 2004

ESTIMATED DATE OF CONTRACT DEFINITIZATION - 15 DEC 2004

4. ALL TERMS AND CONDITIONS OF CONTRACT DAAE20-00-D-0075 ARE APPLICABLE TO THIS CONTRACT, W52H09-04-C-0218, EXCEPT FOR PRICING, DELIVERY, AND ANY OTHER TERMS SPECIFICALLY ADDRESSED HEREIN. PRICING SHALL BE NEGOTIATED IN ACCORDANCE WITH REGULATORY PROVISIONS. THE PARTIES ACKNOWLEDGE THAT THE CEILING PRICES FOR THIS UCA ARE BASED UPON THE 16 JULY 2004 M2 50 CAL FLEX MACHINE GUN OVERHAUL PARTS KIT LIST (ATTACHMENT 001). THE KIT WILL BE UPDATED WITH THE REVISED VERSION DATED 10 AUGUST 2004 (ATTACHMENT 002) DURING NEGOTIATIONS. GDATP IS AUTHORIZED TO COMMENCE WORK WITH THE 10 AUGUST 2004 REVISION.

5. PACKAGING TO COMPLY WITH BEST COMMERCIAL PRACTICE WILL BE FINALIZED PRIOR TO NEGOTIATIONS.

6. FIRST ARTICLE INSPECTION IS WAIVED.

7. RENT FREE USE IS AUTHORIZED UNDER FACILITIES CONTRACTS DAAA09-94-E-0003 AND DAAA09-93-E-0013.

8. GOVERNMENT FURNISHED MATERIAL/EQUIPMENT (GFM/GFE) TO CONSIST OF REQUIRED TEST AMMUNITION AND A M2HB MACHINE GUN WILL BE PROVIDED FOR TESTING WITHIN THREE (3) MONTHS AFTER AWARD.

9. PERFORMANCE BASE PAYMENTS WILL BE NEGOTIATED IN ACCORDANCE WITH DOD REGULATIONS AND FINALIZED DURING NEGOTIATIONS.

10. THE DELIVERY SCHEDULE SPECIFIED IN SECTION B SHALL BE SUBJECT TO MUTUAL AGREEMENT AT TIME OF DEFINITIZATION.

11. THE FOLLOWING SMALL BUSINESS GOALS WHICH ARE BASED ON THE TOTAL CONTRACT DOLLARS ARE HEREBY INCORPORATED.

TOTAL SMALL BUSINESS - 35%

HUBZONE - 1.75%

SDVOSB - 1.75%

12. THIS CEILING PRICED ACTION CONTAINS FAR CLAUSE 52.216-24, LIMITATION OF GOVERNMENT LIABILITY, CLAUSE IF6056 AND 52.216-25, CONTRACT DEFINITIZATION, CLAUSE IF6062 AND ARE HEREBY INCORPORATED INTO THIS CONTRACT IN FULL TEXT.

*** END OF NARRATIVE A 001 ***

CONTINUATION SHEET

Reference No. of Document Being Continued
 PIIN/SIIN W52H09-04-C-0218 MOD/AMD

Name of Offeror or Contractor: GENERAL DYNAMICS ARMAMENT AND TECHNICAL PRODUCTS, INC.

| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------|---|-------------|----------|------------------|-----------------|----------|-------|-----|----------------|--------|---|--|---|------------|----------|----------|-----|---|-------------|-----|---|-------------|-----|---|-------------|-----|---|-------------|-----|---|-------------|-----|---|-------------|-----|---|-------------|----|----|------------------|-----------------|
| 0001 | <p>SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS</p> <p><u>PERMANENT MCN:1005-01-M98-0431</u></p> <p>NSN: Interim Control Number NOUN: M2 PARTS KIT-PRODUCTION QTY FSCM: 19200 PART NR: 13010117 SECURITY CLASS: Unclassified</p> <p>PRON: M141S955M1 PRON AMD: 02 ACRN: AA AMS CD: 070011HHBR4</p> <p><u>Packaging and Marking</u> PACKAGING/PACKING/SPECIFICATIONS: 0 LEVEL PRESERVATION: Commercial LEVEL PACKING: Commercial</p> <p><u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin</p> <p><u>Deliveries or Performance</u> DOC SUPPL <table border="1"> <thead> <tr> <th>REL CD</th> <th>MILSTRIP</th> <th>ADDR</th> <th>SIG CD</th> <th>MARK FOR</th> <th>TP CD</th> </tr> </thead> <tbody> <tr> <td>001</td> <td>W52H094223A153</td> <td>W31G1Z</td> <td>J</td> <td></td> <td>1</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>DEL REL CD</th> <th>QUANTITY</th> <th>DEL DATE</th> </tr> </thead> <tbody> <tr> <td>001</td> <td>7</td> <td>31-JAN-2005</td> </tr> <tr> <td>002</td> <td>7</td> <td>28-FEB-2005</td> </tr> <tr> <td>003</td> <td>7</td> <td>31-MAR-2005</td> </tr> <tr> <td>004</td> <td>7</td> <td>30-APR-2005</td> </tr> <tr> <td>005</td> <td>7</td> <td>31-MAY-2005</td> </tr> <tr> <td>006</td> <td>7</td> <td>30-JUN-2005</td> </tr> <tr> <td>007</td> <td>3</td> <td>31-JUL-2005</td> </tr> </tbody> </table> <p>FOB POINT: Origin</p> <p>SHIP TO: <u>FREIGHT ADDRESS</u> (W31G1Z) XR W0L7 ANNISTON MUNITIONS CENTER TRANS OFFICER 256 235 6837 CL V 7 FRANKFORD AVE BLDG 380 ANNISTON AL 36201-4199</p> </p> | REL CD | MILSTRIP | ADDR | SIG CD | MARK FOR | TP CD | 001 | W52H094223A153 | W31G1Z | J | | 1 | DEL REL CD | QUANTITY | DEL DATE | 001 | 7 | 31-JAN-2005 | 002 | 7 | 28-FEB-2005 | 003 | 7 | 31-MAR-2005 | 004 | 7 | 30-APR-2005 | 005 | 7 | 31-MAY-2005 | 006 | 7 | 30-JUN-2005 | 007 | 3 | 31-JUL-2005 | 45 | KT | \$ UNDEFINITIZED | \$ 9,760,719.00 |
| REL CD | MILSTRIP | ADDR | SIG CD | MARK FOR | TP CD | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 001 | W52H094223A153 | W31G1Z | J | | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| DEL REL CD | QUANTITY | DEL DATE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 001 | 7 | 31-JAN-2005 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 002 | 7 | 28-FEB-2005 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 003 | 7 | 31-MAR-2005 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 004 | 7 | 30-APR-2005 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 005 | 7 | 31-MAY-2005 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 006 | 7 | 30-JUN-2005 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 007 | 3 | 31-JUL-2005 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 0002 | <p><u>PRODUCTION QUANTITY WITHOUT FIRST ARTICLE</u></p> | 855 | EA | \$ UNDEFINITIZED | \$ 1,444,605.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

CONTINUATION SHEET

Reference No. of Document Being Continued
 PIIN/SIIN W52H09-04-C-0218 MOD/AMD

Name of Offeror or Contractor: GENERAL DYNAMICS ARMAMENT AND TECHNICAL PRODUCTS, INC.

| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------|--|-------------|----------|------------|--------|----------|-------|-----|----------------|--------|---|--|---|------------|----------|----------|-----|-----|-------------|-----|-----|-------------|-----|-----|-------------|-----|-----|-------------|-----|-----|-------------|-----|-----|-------------|-----|----|-------------|--|--|--|--|
| | NSN: 1005-01-172-7725 NOUN: RECEIVER,CARTRIDGE FSCM: 19200 PART NR: 6535480 SECURITY CLASS: Unclassified PRON: M1413089M1 PRON AMD: 04 ACRN: AB AMS CD: 060011 <u>Packaging and Marking</u> PACKAGING/PACKING/SPECIFICATIONS: 0 LEVEL PRESERVATION: Commercial LEVEL PACKING: Commercial <u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin <u>Deliveries or Performance</u> DOC SUPPL <table border="1"> <thead> <tr> <th>REL CD</th> <th>MILSTRIP</th> <th>ADDR</th> <th>SIG CD</th> <th>MARK FOR</th> <th>TP CD</th> </tr> </thead> <tbody> <tr> <td>001</td> <td>W52H0940841833</td> <td>W31G1Z</td> <td>J</td> <td></td> <td>1</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>DEL REL CD</th> <th>QUANTITY</th> <th>DEL DATE</th> </tr> </thead> <tbody> <tr> <td>001</td> <td>133</td> <td>31-JAN-2005</td> </tr> <tr> <td>002</td> <td>133</td> <td>28-FEB-2005</td> </tr> <tr> <td>003</td> <td>133</td> <td>31-MAR-2005</td> </tr> <tr> <td>004</td> <td>133</td> <td>30-APR-2005</td> </tr> <tr> <td>005</td> <td>133</td> <td>31-MAY-2005</td> </tr> <tr> <td>006</td> <td>133</td> <td>30-JUN-2005</td> </tr> <tr> <td>007</td> <td>57</td> <td>31-JUL-2005</td> </tr> </tbody> </table> FOB POINT: Origin SHIP TO: <u>FREIGHT ADDRESS</u> (W31G1Z) XR W0L7 ANNISTON MUNITIONS CENTER TRANS OFFICER 256 235 6837 CL V 7 FRANKFORD AVE BLDG 380 ANNISTON AL 36201-4199 | REL CD | MILSTRIP | ADDR | SIG CD | MARK FOR | TP CD | 001 | W52H0940841833 | W31G1Z | J | | 1 | DEL REL CD | QUANTITY | DEL DATE | 001 | 133 | 31-JAN-2005 | 002 | 133 | 28-FEB-2005 | 003 | 133 | 31-MAR-2005 | 004 | 133 | 30-APR-2005 | 005 | 133 | 31-MAY-2005 | 006 | 133 | 30-JUN-2005 | 007 | 57 | 31-JUL-2005 | | | | |
| REL CD | MILSTRIP | ADDR | SIG CD | MARK FOR | TP CD | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 001 | W52H0940841833 | W31G1Z | J | | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| DEL REL CD | QUANTITY | DEL DATE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 001 | 133 | 31-JAN-2005 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 002 | 133 | 28-FEB-2005 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 003 | 133 | 31-MAR-2005 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 004 | 133 | 30-APR-2005 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 005 | 133 | 31-MAY-2005 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 006 | 133 | 30-JUN-2005 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 007 | 57 | 31-JUL-2005 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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MOD/AMD

Name of Offeror or Contractor: GENERAL DYNAMICS ARMAMENT AND TECHNICAL PRODUCTS, INC.

SECTION G - CONTRACT ADMINISTRATION DATA

| LINE | PRON/ AMS CD/ <u>ITEM</u> | | OBLG <u>STAT</u> | <u>ACCOUNTING CLASSIFICATION</u> | | JOB ORDER <u>NUMBER</u> | ACCOUNTING <u>STATION</u> | OBLIGATED <u>AMOUNT</u> |
|------|---------------------------------|----|---------------------|----------------------------------|--------------|-------------------------------|------------------------------|----------------------------|
| 0001 | M141S955M1 070011HHBR4 | AA | 1 | 97 | X4930AC6G 6D | 26FB S11116 | W52H09 \$ | 9,760,719.00 |
| 0002 | M1413089M1 060011 | AB | 1 | 97 | X4930AC9G 6D | 26KB S11116 | W52H09 \$ | 1,444,605.00 |
| | | | | | | | TOTAL | \$ 11,205,324.00 |

| SERVICE <u>NAME</u> | <u>TOTAL BY ACRN</u> | <u>ACCOUNTING CLASSIFICATION</u> | | JOB ORDER <u>NUMBER</u> | ACCOUNTING <u>STATION</u> | OBLIGATED <u>AMOUNT</u> | |
|------------------------|----------------------|----------------------------------|--------------|-------------------------------|------------------------------|----------------------------|------------------|
| Army | AA | 97 | X4930AC6G 6D | 26FB S11116 | W52H09 \$ | 9,760,719.00 | |
| Army | AB | 97 | X4930AC9G 6D | 26KB S11116 | W52H09 \$ | 1,444,605.00 | |
| | | | | | | TOTAL | \$ 11,205,324.00 |

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|---------------------------|--|---------------------------|
| CONTINUATION SHEET | Reference No. of Document Being Continued PIIN/SIIN W52H09-04-C-0218 MOD/AMD | Page 6 of 8 |
|---------------------------|--|---------------------------|

Name of Offeror or Contractor: GENERAL DYNAMICS ARMAMENT AND TECHNICAL PRODUCTS, INC.

SECTION I - CONTRACT CLAUSES

| | | |
|------------------------|--------------|-------------|
| <u>Regulatory Cite</u> | <u>Title</u> | <u>Date</u> |
|------------------------|--------------|-------------|

| | | | |
|-----|-----------|------------------------------------|----------|
| I-1 | 52.216-24 | LIMITATION OF GOVERNMENT LIABILITY | APR/1984 |
|-----|-----------|------------------------------------|----------|

(a) In performing this contract, the Contractor is not authorized to make expenditures or incur obligations exceeding \$11,205,324.00 dollars.

(b) The maximum amount for which the Government shall be liable if this contract is terminated is \$11,205,324.00 dollars.

(End of clause)

(IF6056)

| | | | |
|-----|-----------|-------------------------|----------|
| I-2 | 52.216-25 | CONTRACT DEFINITIZATION | OCT/1997 |
|-----|-----------|-------------------------|----------|

(a) A Firm Fixed Price definitive contract is contemplated. The Contractor agrees to begin promptly negotiating with the Contracting Officer the terms of a definitive contract that will include

(1) all clauses required by the Federal Acquisition Regulation (FAR) on the date of execution of the letter contract,

(2) all clauses required by law on the date of execution of the definitive contract, and

(3) any other mutually agreeable clauses, terms, and conditions. The Contractor agrees to submit a fixed price proposal and cost or pricing data supporting its proposal.

(b) The schedule for definitizing this contract is:

| | |
|---|-----------|
| Projected date for submission of proposal with cost or pricing data | 15 Oct 04 |
| Projected date to begin negotiations | 15 Nov 04 |
| Projected completion date of negotiations | 30 Nov 04 |
| Estimated date of contract definitization | 15 Dec 04 |

(c) If agreement on a definitive contract to supersede this letter is not reached by the target date in paragraph (b) of this section, or within any extension of it granted by the Contracting Officer, the Contracting Officer may, with the approval of the head of the contracting activity, determine a reasonable price or fee in accordance with Subpart 15.4 and Part 31 of the FAR, subject to Contractor appeal as provided in the Disputes clause. In any event, the Contractor shall proceed with completion of the contract, subject only to the Limitation of Government Liability clause.

(1) After the Contracting Officer's determination of price or fee, the contract shall be governed by -

(i) All clauses required by the FAR on the date of execution of this letter contract for either fixed-price or cost-reimbursement contracts, as determined by the Contracting Officer under this paragraph (c);

(ii) All clauses required by the law as of the date of the Contracting Officer's determination; and

(iii) Any other clauses, terms, and conditions mutually agreed upon.

(2) To the extent consistent with subparagraph (c)(1) of this section, all clauses, terms, and conditions included in this letter contract shall continue in effect, except those that by their nature apply only to a letter contract.

(End of clause)

(IF6062)

| | | | |
|-----|----------|---|----------|
| I-3 | 52.217-6 | EVALUATED OPTION FOR INCREASED QUANTITY | MAR/1990 |
|-----|----------|---|----------|

a. This solicitation includes an evaluated option (See Section M).

b. The Government reserves the right to increase the quantity of item(s) CLIN 0001 AND CLIN 0002 by a quantity of up to and including but not exceeding 100 percent as an evaluated option at the price(s) quoted below.

Name of Offeror or Contractor: GENERAL DYNAMICS ARMAMENT AND TECHNICAL PRODUCTS, INC.

c. If the Contractor does not quote a price hereunder, the lowest price offered/bid in the Schedule for item(s) CLIN 0001 AND CLIN 0002 shall be the price used for evaluation/award of any option quantities. All evaluation factors identified in the solicitation, except F.O.B. origin transportation costs, will be applied to the option quantity for evaluation purposes.

d. The Contracting Officer may exercise the evaluated option at any time prior to 180 days after receipt of order by giving written notice to the Contractor.

e. Delivery of the items added by exercise of this option shall continue immediately after, and at the same rate as delivery of like items called for under the contract, unless the parties agree otherwise.

f. Subject to the limitations contained in this clause, the Government may exercise this option on one or more occasions.

g. Offered Unit Prices for the Option Quantities are:

| | <u>Unit Price</u> |
|-------------------------------------|--------------------|
| Evaluated Option (F.O.B. Origin) | \$ _____ CLIN 0001 |
| | \$ _____ CLIN 0002 |

Varying prices may be offered for the option quantities actually ordered and the dates when ordered. In as much as the unit price for the basic quantity may contain starting, load, testing, tooling, transportation or other costs not applicable to option quantities, offerors are requested to take these factors into consideration while setting forth the unit price(s) for the option quantities. The option price is expected (but not required) to be lower than the unit price for the initial quantity.

(End of Clause)

CONTINUATION SHEET**Reference No. of Document Being Continued****Page 8 of 8****PIIN/SIIN** W52H09-04-C-0218**MOD/AMD****Name of Offeror or Contractor:** GENERAL DYNAMICS ARMAMENT AND TECHNICAL PRODUCTS, INC.

SECTION J - LIST OF ATTACHMENTS

| <u>List of</u> <u>Addenda</u> | <u>Title</u> | <u>Date</u> | <u>Number</u> <u>of Pages</u> | <u>Transmitted By</u> |
|----------------------------------|---|-------------|----------------------------------|-----------------------|
| Attachment 001 | M2 50 CAL MG FLEX OVERHAUL PARTS KIT LIST | 16-JUL-2004 | 4PG | |
| Attachment 002 | M2 50 CAL MG FLEX OVERHAUL PARTS KIT LIST | 10-AUG-2004 | 4PG | |