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| AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT | | 1. CONTRACT ID CODE | PAGES OF PAGES 1 6 |
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| 2. AMENDMENT/MODIFICATION M065 | 3. EFFECTIVE DATE September 10, 2002 | 4. REQUISITION/PURCHASE REQ. NO. WPAS-NOPR | 5. PROJECT NO. (If applicable) |
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| 6. ISSUED BY U. S. Department of Energy Oak Ridge Operations P. O. Box 2001 Oak Ridge, TN 37831-8756 | 7. ADMINISTERED BY (If other than Item 6) |
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| 8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) UT-Battelle, LLC Attn: David C. Rice, Director, Contracts Post Office Box 2008 Oak Ridge, TN 37831-6443 | (X) | 9A. AMENDMENT OF SOLICITATION NO. |
| | | 9B. DATED (SEE ITEM 11) |
| | X | 10A. MODIFICATION OF CONTRACT/ORDER DE-AC05-00OR22725 |
| | | 10B. DATED (SEE ITEM 13) October 18, 1999 |

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATION

The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of offers ___ is extended. ___ is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning ___ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOU ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ ORDERS, IT MODIFIES CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

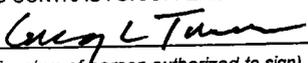
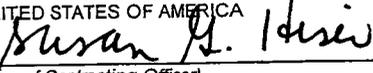
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| <input type="checkbox"/> | A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT/ORDER NO. IN ITEM 10A. |
| <input type="checkbox"/> | B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation data, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b). |
| X | C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: P.L. 85-804, Mutual Agreement, and P.L. 95-91 |
| <input type="checkbox"/> | D. OTHER (Specify type of modification and authority) |

E. IMPORTANT: Contractor [] is not, [X] is required to sign this document and return 2 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/ MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)
The purpose of this modification is to delete Clause I.147 which was added by Modification No. M007 in its entirety and substitute the following:

See Page 2.
Except as provided herein, all terms and conditions of the document referenced in Item 9A and 10A, as heretofore changed, remains unchanged and in full force and effect.

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| 5A. NAME AND TITLE OF SIGNER (Type or print) Greg L. Turner Chief Financial Officer | 16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Susan G. Hiser Contracting Officer |
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| 5B CONTRACTOR/OFFEROR  Signature of person authorized to sign | 15C. DATE SIGNED 10/4/02 | 16B. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer) | 16C. DATE SIGNED 10/4/02 |
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**I. 147 FAR 52.250-1 Indemnification Under Public Law 85-804 (Apr 1984)
(Alternate 1)**

- (a) "Contractor's principal officials," as used in this clause, means directors, officers, managers, superintendents, or other representatives supervising or directing
 - (1) All or substantially all of the Contractor's business;
 - (2) All or substantially all of the Contractor's operations at any one plant or separate location in which this contract is being performed; or
 - (3) A separate and complete major industrial operation in connection with the performance of this contract.

- (b) Under Public Law 85-804 (50 U.S.C 1431-1435) and Executive Order 10789, as amended, and regardless of any other provisions of this contract, the Government shall, subject to the limitations contained in the other paragraphs of this clause, indemnify the Contractor against -
 - (1) Claims (including reasonable expenses of litigation or settlement) by third persons (including employees of the Contractor) for death; personal injury; or loss of, damage to, or loss of use of property;
 - (2) Loss of, damage to, or loss of use of Contractor property, excluding loss of profit; and
 - (3) Loss of, damage to, or loss of use of Government property, excluding loss of profit.

- (c) This indemnification applies only to the extent that the claim, loss, or damage
 - (1) arises out of or results from a risk defined in this contract as unusually hazardous or nuclear and (2) is not compensated for by insurance or otherwise. Any such claim, loss, or damage, to the extent that it is within the deductible amounts of the Contractor's insurance, is not covered under this clause. If insurance coverage or other financial protection in effect on the date the approving official authorizes use of this clause is reduced, the Government's liability under this clause shall not increase as a result.

- (d) When the claim, loss, or damage is caused by willful misconduct or lack of good faith on the part of any of the Contractor's principal officials, the Contractor shall not be indemnified for —
 - (1) Government claims against the Contractor (other than those arising through subrogation); or

- (2) Loss or damage affecting the Contractor's property.
- (e) With the Contracting Officer's prior written approval, the Contractor may, in any subcontract under this contract, indemnify the subcontractor against any risk defined in this contract as unusually hazardous or nuclear. This indemnification shall provide, between the Contractor and the subcontractor, the same rights and duties, and the same provisions for notice, furnishing of evidence or proof, and Government settlement or defense of claims as this clause provides. The Contracting Officer may also approve indemnification of subcontractors at any lower tier, under the same terms and conditions. The Government shall indemnify the Contractor against liability to subcontractors incurred under subcontract provisions approved by the Contracting Officer.
- (f) The rights and obligations of the parties under this clause shall survive this contract's termination, expiration, or completion. The Government shall make no payment under this clause unless the agency head determines that the amount is just and reasonable. The Government may pay the Contractor or subcontractors, or may directly pay parties to whom the Contractor or subcontractors may be liable.
- (g) The Contractor shall —
 - (1) Promptly notify the Contracting Officer of any claim or action against, or any loss by, the Contractor or any subcontractors that may be reasonably be expected to involve indemnification under this clause;
 - (2) Immediately furnish to the Government copies of all pertinent papers the Contractor receives;
 - (3) Furnish evidence or proof of any claim, loss, or damage covered by this clause in the manner and form the Government requires; and
 - (4) Comply with the Government's directions and execute any authorizations required in connection with settlement or defense of claims or actions.
- (h) The Government may direct, control, or assist in settling or defending any claim or action that may involve indemnification under this clause.
- (i) The cost of insurance (including self-insurance programs) covering a risk defined in this contract as unusually hazardous or nuclear shall not be reimbursed except to the extent that the Contracting Officer has required or approved this insurance. The Government's obligations under this clause are
 - (1) Excepted from the release required under this contract's clause relating to allowable cost; and

- (2) Not affected by this contract's Limitation of Cost or Limitation of Funds clause
- (j) The term "a risk defined in this contract as unusually hazardous or nuclear" as used in this clause means the risk of legal liability to third parties (including legal costs as defined in paragraph (jj) of Section 11 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. §2014, notwithstanding the fact that the claim or suit may not arise under Section 170 of said Act) arising from actions or inactions in the course of the following work performed by the Contractor under this contract:

- (1) Participation in the following nonproliferation endeavors —

The high priority national security work provided by the Contractor involving highly specialized technical services on behalf of the Department of Energy in support of a joint U.S.-Russian plutonium disposition program. This work by the Contractor which may take place inside or outside the United States, involves the development of safe facilities and processes for the formulation, fabrication, packaging and transportation, management, storage, use, and disposal of plutonium oxide and mixed plutonium oxide nuclear reactor fuel (hereinafter "MOX fuel" refers to both forms of fuel) and spent MOX fuel, in a nonproliferation effort on behalf of the United States.

- (2) Activities on behalf of the Department of Energy involving weapons usable materials in a nonproliferation effort on behalf of the United States, outside the United States, as described in (i) through (iv):
 - (i) The Department of Energy's transparency monitoring activities in Russia under the U.S.-Russian Agreement Concerning the Disposition of Highly Enriched Uranium Extracted from Nuclear Weapons dated January 18, 1993; and any extension or modification thereof;
 - (ii) Inspection, packaging, transportation, and storage of weapons usable nuclear materials located in the Former Soviet Union, including Russia, provided that the work has been directed by the Secretary of Energy, the Deputy Secretary of Energy, or the Under Secretary for Nuclear Security;
 - (iii) Participation in the Department of Energy's nuclear materials protection and accountability programs in Russia, Ukraine, Kazakhstan, and Belarus, including developing such systems and consulting and training individuals, or international inspectors on such systems under the:

Agreement between the Department of Energy of the United States of America and the Federal Nuclear and Radiation Safety Authority of the Russian Federation to Cooperate on National Protection, Control, and Accounting of Nuclear Materials dated 2 October 1999;

Agreement between the Department of Defense of the United States of America and the Ministry of Defense of the Republic of Kazakhstan concerning Control, Accounting, and Physical Protection of Nuclear Material to Promote the Prevention of Nuclear Weapons Proliferation dated 13 December 1993;

Agreement between the Department of Defense of the United States of America and the Ukrainian State Committee on Nuclear and Radiation Safety concerning Development of State Systems of Control, Accounting, and Physical Protection of Nuclear Materials to Promote the Prevention of Nuclear Weapons Proliferation from Ukraine dated 18 December 1993;

Agreement between the Department of Defense of the United States of America and the Ministry of Defense of the Republic of Belarus concerning Control, Accounting, and Physical Protection of Nuclear Materials to Promote the Prevention of Nuclear Weapons Proliferation dated 23 June 1995;

Joint Statement by the Secretary of Department of Energy of the United States of America and the Minister of the Russian Federation for Atomic Energy on Control, Accounting, and Physical Protection of Nuclear Materials dated 30 January 1996; and

Joint Statement by the Secretary of Department of Energy of the United States of America and the Minister of the Russian Federation for Atomic Energy on Protection, Control, Accounting of Nuclear Materials dated 30 June 1995;

- (iv) Agreement between the United States of America and the Government of the Russian Federation on the Exchange of Technical Information in the Field of Nuclear Warhead Safety and Security dated 16 December 1994. This Agreement referred to as WSSX is the Agreement under which DOE/NN-42's Russian Lab-to-Lab Warhead Dismantlement Transparency Program is proceeding; and
- (3) Other United States-sponsored activities outside the United States, as requested or approved by the President of the United States, the Secretary of Energy, the Deputy Secretary of Energy or the Under Secretary for Nuclear

Security and provided that the request or approval specifically makes the indemnity provided by this clause applicable thereto, involving:

- (i) Transparency monitoring activities;
- (ii) Inspection, packaging, transportation, and storage of weapons-usable nuclear materials;
- (iii) Nuclear materials protection, control and accountability programs known as the Material Protection Control and Accounting Systems;
- (iv) Other nonproliferation work relating to weapons-usable nuclear materials and materials of mass destruction; and
- (v) Design, construction, and operation of facilities to manufacture, use, or dispose of MOX fuel or plutonium in the Russian Federation, other than the work identified in (1) above.