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|---|--------------------------------|---|--------------------------------|
| 2. Amendment/Modification No. P00004 | 3. Effective Date 2004SEP02 | 4. Requisition/Purchase Req No. SEE SCHEDULE | 5. Project No. (If applicable) |
|---|--------------------------------|---|--------------------------------|

| | | | | | |
|--|------|--------|---|------|--------|
| 6. Issued By TACOM WARREN AMSTA-AQ-AHEA MITCHELL ANTONICH (586)574-8111 WARREN, MICHIGAN 48397-5000 HTTP://CONTRACTING.TACOM.ARMY.MIL EMAIL: ANTONICM@TACOM.ARMY.MIL | Code | W56HZV | 7. Administered By (If other than Item 6) DCMA DETROIT U.S. ARMY TANK & AUTOMOTIVE COMMAND (TACOM) ATTN: DCMAE-GJD WARREN, MI 48397-5000 | Code | S2305A |
| | | | SCD C PAS NONE ADP PT HQ0337 | | |

| | | |
|---|-------------------------------------|---|
| 8. Name And Address Of Contractor (No., Street, City, County, State and Zip Code) GENERAL DYNAMICS LAND SYSTEMS INC. 38500 MOUND ROAD STERLING HEIGHTS, MI. 48310-3260 TYPE BUSINESS: Large Business Performing in U.S. | <input type="checkbox"/> | 9A. Amendment Of Solicitation No. |
| | <input type="checkbox"/> | 9B. Dated (See Item 11) |
| | <input checked="" type="checkbox"/> | 10A. Modification Of Contract/Order No. W56HZV-04-C-0136 |
| | <input type="checkbox"/> | 10B. Dated (See Item 13) 2003DEC05 |
| Code 7W356 | Facility Code | |

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

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 amendments; (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 YOUR 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)
ACRN: AA NET INCREASE: \$6,226,806.00

13. THIS ITEM ONLY APPLIES TO MODIFICATIONS OF CONTRACTS/ORDERS

KIND MOD CODE: G
It Modifies The Contract/Order No. As Described In Item 14.

| | | |
|-------------------------------------|---|--|
| <input type="checkbox"/> | A. This Change Order is Issued Pursuant To: The Contract/Order No. In Item 10A. | The Changes Set Forth In Item 14 Are Made In |
| <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). | |
| <input checked="" type="checkbox"/> | C. This Supplemental Agreement Is Entered Into Pursuant To Authority Of: Mutual Agreement of the Parties | |
| <input type="checkbox"/> | D. Other (Specify type of modification and authority) | |

E. IMPORTANT: Contractor is not, is required to sign this document and return _____ copies to the Issuing Office.

14. Description Of Amendment/Modification (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

SEE SECOND PAGE FOR DESCRIPTION

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

| | | | |
|---|---|--|-----------------------------------|
| 15A. Name And Title Of Signer (Type or print) | 16A. Name And Title Of Contracting Officer (Type or print) RICHARD K. KULCZYCKI KULCZYCR@TACOM.ARMY.MIL (586)574-7299 | | |
| 15B. Contractor/Offeror (Signature of person authorized to sign) | 15C. Date Signed | 16B. United States Of America By _____ /SIGNED/ (Signature of Contracting Officer) | 16C. Date Signed 2004SEP02 |

CONTINUATION SHEET**Reference No. of Document Being Continued**

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PIIN/SIIN W56HZV-04-C-0136

MOD/AMD P00004

Name of Offeror or Contractor: GENERAL DYNAMICS LAND SYSTEMS INC.

SECTION A - SUPPLEMENTAL INFORMATION

Modification P00004, a supplemental agreement incorporates changes to the Increment 9 LLM Contract W56HZV-04-C-0136 as stated below:

1. Obligates additional LLM/Termination Liability Funding through September 2004.
2. The contract funding schedule and termination liability as set forth in Section H Provision H.17.4 for CLIN 0001AA, LLM for 125 Increment 9 M1A1 Abrams Tank Hardware Kits are revised below:

| <u>MONTH/YEAR</u> | <u>AMOUNT</u> | <u>CUMULATIVE TOTAL</u> |
|-------------------|-----------------|-------------------------|
| December 2003 | \$ 48,682.20 | \$ 48,682.20 |
| JANUARY 2004 | \$ 266,774.00 | \$ 315,456.20 |
| FEBRUARY 2004 | \$ 931,117.59 | \$ 1,246,573.79 |
| MARCH 2004 | \$ 735,480.41 | \$ 1,982,054.20 |
| APRIL 2004 | \$ 1,715,234.06 | \$ 3,697,288.26 |
| MAY 2004 | \$ 2,835,295.25 | \$ 6,532,583.41 |
| JUNE 2004 | \$ 4,978,465.59 | \$ 11,023,049.00 |
| JULY 2004 | \$ 2,304,622.00 | \$ 13,327,671.00 |
| AUGUST 2004 | \$ 4,268,454.00 | \$ 17,596,125.00 |
| *SEPTEMBER 2004 | \$ 6,226,806.00 | \$ 23,822,931.00 |

3. The first sentence of Paragraph H.17.5 is revised to read: "The parties hereto recognize and agree that the long lead material items listed in Attachment 1 and Exhibit A are the only material items that the contractor . . ."
4. Pages 31 and 32 of the contract are revised to incorporate the changes shown in paragraphs 2 and 3 of this modification.
5. Clause H.X, "Warranty", is added to the contract as Attachment 001.
6. A list of the items that will require First Article Test (FAT) is added to the contract as Attachment 002.
7. As the result of Modification P00004 the estimated cost for the performance of the LLM for Increment 9 at B.1.1. of the contract is changed from \$17,596,125.00 to \$23,822,931.00.
8. The LLM funding provided for the Increment 9 LLM effort is on a Cost-No-Fee basis.
9. As the result of this Modification P00004, the contract total is increased by \$6,226,806.00 from \$17,596,125.00 to \$23,822,931.00.
10. Except as specifically stated above, all other terms and conditions of the contract remain unchanged and in full force and effect.

*** END OF NARRATIVE A 004 ***

CONTINUATION SHEET

Reference No. of Document Being Continued
 PIIN/SIIN W56HZV-04-C-0136 MOD/AMD P00004

Name of Offeror or Contractor: GENERAL DYNAMICS LAND SYSTEMS INC.

| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT | | | | | | | | | |
|---------------|--|-------------|------|------------|---------------|-----------------|-------------|-----|---|-------------|--|----|--|------------------|
| 0001AA | <p>SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS</p> <p><u>EGYPT INC 9 LLM FOR M1A1 KITS</u></p> <p>NOUN: LONG LEAD INC 9 HARDWARE PRON: J54BVV0147 PRON AMD: 02 ACRN: AA AMS CD: NFV001 FMS CASE IDENTIFIER: EG-B-NFV</p> <p><u>Inspection and Acceptance</u> INSPECTION: Origin ACCEPTANCE: Origin</p> <p><u>Deliveries or Performance</u></p> <table border="0"> <tr> <td>DLVR SCH</td> <td></td> <td>PERF COMPL</td> </tr> <tr> <td><u>REL CD</u></td> <td><u>QUANTITY</u></td> <td><u>DATE</u></td> </tr> <tr> <td>001</td> <td>0</td> <td>30-SEP-2004</td> </tr> </table> <p style="text-align: right;">\$ 23,822,931.00</p> | DLVR SCH | | PERF COMPL | <u>REL CD</u> | <u>QUANTITY</u> | <u>DATE</u> | 001 | 0 | 30-SEP-2004 | | LO | | \$ 23,822,931.00 |
| DLVR SCH | | PERF COMPL | | | | | | | | | | | | |
| <u>REL CD</u> | <u>QUANTITY</u> | <u>DATE</u> | | | | | | | | | | | | |
| 001 | 0 | 30-SEP-2004 | | | | | | | | | | | | |

CONTINUATION SHEET

Reference No. of Document Being Continued

PIIN/SIIN W56HZV-04-C-0136

MOD/AMD P00004

Name of Offeror or Contractor: GENERAL DYNAMICS LAND SYSTEMS INC.

SECTION G - CONTRACT ADMINISTRATION DATA

| LINE | PRON/ AMS CD/ <u>ITEM</u> <u>MIPR</u> | ACRN | OBLG STAT/ <u>JOB ORD NO</u> | <u>PRIOR AMOUNT</u> | INCREASE/DECREASE <u>AMOUNT</u> | CUMULATIVE <u>AMOUNT</u> |
|--------|---|------|---------------------------------|---------------------|------------------------------------|-----------------------------|
| 0001AA | J54BVV0147 NFV001 | AA | 1 4L5JCQ | \$ 17,596,125.00 | \$ 6,226,806.00 | \$ 23,822,931.00 |
| | | | | NET CHANGE | \$ 6,226,806.00 | |

| SERVICE <u>NAME</u> | NET CHANGE <u>BY ACRN</u> | <u>ACCOUNTING CLASSIFICATION</u> | ACCOUNTING <u>STATION</u> | INCREASE/DECREASE <u>AMOUNT</u> |
|------------------------|------------------------------|--|------------------------------|------------------------------------|
| Army | AA | 9711 X8242EG01X6D1000NFV 00126FZEGS20113 | W56HZV | \$ 6,226,806.00 |
| | | | | NET CHANGE \$ 6,226,806.00 |

| | <u>PRIOR AMOUNT</u> <u>OF AWARD</u> | <u>INCREASE/DECREASE</u> <u>AMOUNT</u> | <u>CUMULATIVE</u> <u>OBLIG AMT</u> |
|-----------------------|--|---|---------------------------------------|
| NET CHANGE FOR AWARD: | \$ 17,596,125.00 | \$ 6,226,806.00 | \$ 23,822,931.00 |

| | | |
|---------------------------|--|--------------------|
| CONTINUATION SHEET | Reference No. of Document Being Continued | Page 5 of 7 |
| | PIIN/SIIN W56HZV-04-C-0136 | MOD/AMD P00004 |

Name of Offeror or Contractor: GENERAL DYNAMICS LAND SYSTEMS INC.

SECTION H - SPECIAL CONTRACT REQUIREMENTS

H.16.2 The Contractor shall notify the Procuring Contracting Officer in writing within five days of the Contractors knowledge of any Long Lead Materials delivery schedule which will not support the planned Tank delivery schedule set forth in Section F. Such notification shall include the Contractor's actions to remedy the deficiency, including actions utilizing this Contract's DPAS priority rating, and his recommended corrective action.

H.17 CONTRACT FUNDING SCHEDULE AND TERMINATION OF LIABILITY

H.17.1 Funds in the amount set forth below are presently available to enable acquisition of all long-lead items consisting of Raw Materials, Purchased Parts, Assemblies, Subassemblies, Accessories, Components and associated labor required to manufacture and deliver the planned quantity of Abrams Series Hardware Kits for Increment IX of the Egyptian Co-Production, in accordance with the planned Tank Kit delivery schedule set forth in Section F.

H.17.2 These amounts are estimated by the parties hereto to be sufficient to enable the Contractor and its subcontractors to initiate the acquisition and manufacturing of said Long Lead Material Items listed in Attachment 1.

H.17.3 The Governments total liability under CLIN 0001 of this contract, including actions under the Termination Clause, shall be expressly limited to the amount of actual funding obligated on the contract. The Government shall not be required to reimburse the contractor for costs incurred in excess of such amount and the contractor shall not be required to continue performance under the contract or otherwise incur costs in excess of amounts obligated on the contract.

H.17.4 The termination of liability funding schedule for CLIN 0001, LLM for 125 Increment 9 M1A1 Abrams Tank Hardware Kits, for this contract is as follows:

| <u>MONTH/YEAR</u> | <u>AMOUNT</u> | <u>CUMULATIVE TOTAL</u> |
|-------------------|----------------|-------------------------|
| December 2003 | \$48,682.20 | \$48,682.20 |
| January 2004 | \$266,774.00 | \$315,456.20 |
| February 2004 | \$931,117.59 | \$1,246,573.79 |
| March 2004 | \$735,480.41 | \$1,982,054.20 |
| April 2004 | \$1,715,234.06 | \$3,697,288.26 |
| May 2004 | \$2,835,295.25 | \$6,532,583.41 |
| June 2004 | \$4,978,465.59 | \$11,023,049.00 |
| July 2004 | \$2,304,622.00 | \$13,327,671.00 |
| August 2004 | \$4,268,454.00 | \$17,596,125.00 |
| September 2004 | \$6,226,806.00 | \$23,822,931.00 * |

H.17.5 ADDITIONAL LONG LEAD MATERIAL ITEMS

The parties hereto recognize and agree that the long lead material items listed in Attachment 1 and Exhibit A are the only material items that the contractor presently authorized acquire under CLIN 0001AA in order to be able to meet the contemplated delivery schedule for the planned contract award for Increment 9 Egyptian M1A1 Abrams Tank Coproduction. It is also recognized that authorization to acquire additional long lead materials items may be required from time to time during the period of this contract. Consequently, at the time the contractor has identified a requirement for additional long lead materials items not listed in the referenced Attachment 1 he shall submit to the Procuring Contracting Officer (PCO) a written request with supporting data on the requirement to acquire the item. If the parties agree on the need to acquire the item, such item shall be acquired under the contract by supplemental agreement, and the Contract Funding and Termination Liability provision shall be amended accordingly.

H.17.6. In the event the Government terminates this effort, the termination of liability amount of which the Government will be liable for is the total amount through the month that the termination is made, regardless of the amount funded or billed, in no event shall the Government be liable for more than the CLIN amount set forth in provision H.17.4.

H.18 TRANSFER OF COSTS

H.18.1 It is agreed that when the award for Increment IX M1A1 Hardware Tank Kits is made, paragraph H.17 shall be superseded in its entirety by said award and corresponding paragraphs thereto. The parties agree that upon execution of the tank contract or execution of a contract modification expanding the scope of this contract to include the 125 complete tank hardware kits, the contractor shall waive and release the Government from any separate cost reimbursement for the long lead material acquired. The amount of all prior payment for such material shall be applied towards the total price of the complete 125 tank hardware kits, and funding of the contract instrument used will be adjusted accordingly based on mutual agreement of the parties.

* Revised by Modification P00004

CONTINUATION SHEET**Reference No. of Document Being Continued****Page 6 of 7****PIIN/SIIN** W56HZV-04-C-0136**MOD/AMD** P00004**Name of Offeror or Contractor:** GENERAL DYNAMICS LAND SYSTEMS INC.

H.19

RESTRICTED ITEMS:

The contractor shall not purchase material related to items listed below until the final workshare/material transfer content is approved and written direction is received from the CMO and authorized by the PCO.

- a. Commanders Alert Panel
- b. Drivers Alert Panel

*** END OF NARRATIVE H 002 ***

CONTINUATION SHEET

Reference No. of Document Being Continued

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PIIN/SIIN W56HZV-04-C-0136

MOD/AMD P00004

Name of Offeror or Contractor: GENERAL DYNAMICS LAND SYSTEMS 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 | SECTION H CLAUSE "WARRANTY" | | 002 | DATA |
| Attachment 002 | FIRST ARTICLE TEST (FAT) LIST | | 001 | DATA |

H.X. WARRANTY

H.X.1 DEFINITIONS:

H.X.1.1 "Acceptance" is execution by an authorized Government Representative of a DD Form 250 and means the act by which the Government assumes, for itself or as an agent of another, ownership of the identified supplies or recognizes completion of total performance specified in the contract.

H.X.1.2 "Supplies" are the structures, assembly sets, hardware kits, LRUs and all components thereof furnished by the Contractor under this contract. The word does not include any other data, such as documentation, technical manuals, reports and the like.

H.X.1.3 "Vehicle" is the M1A1 Abrams Series Tank assembled at the Egyptian Tank Plant.

H.X.1.4 "Failure" is any condition or characteristic in any supplies furnished under the contract, that is not in compliance with the requirements of the contract and authorized maintenance documents.

H.X.1.5 "Vehicle Acceptance" is established when the Final Inspection Report (FIR) for the vehicle is completed and signed, without condition, by the Egyptian Army representative.

H.X.2 COVERAGE

H.X.2.1 Notwithstanding inspection and acceptance by the Government of supplies furnished under this contract, or any clause of this contract concerning the conclusiveness thereof, the contractor warrants for the period set forth in paragraph H.15.2.2 below, that all supplies provided under this contract:

- a. Shall be free from all defects in material and workmanship at the time of delivery that would cause the warranted item to fail to meet the requirements of this contract; and
- b. Shall conform to the requirements set forth in the Technical Data Package.

H.X.2.2 DURATION: The duration of this warranty shall extend from the date of acceptance of the supplies by the U.S.Government(USG), as defined in H.15.1.1, through vehicle acceptance by the Government of Egypt(GOE), as defined by H.15.1.5.

H.X.3 CONTRACTOR LIABILITY

H.X.3.1 The contractors maximum liability under this entire clause H.15 for the cumulative corrective action taken on supplies delivered under this contract shall be limited to **TBD**.

H.X.4 RIGHT TO EQUITABLE ADJUSTMENT

H.X.4.1 If the Government elects to repair a warranted item(s) at Government expense, or if the Government elects not to require redesign, repair or replacement of defective or non-conforming warranted supplies to which it is otherwise entitled at Contractor expense under this warranty, the contract shall be subject to a downward equitable adjustment.

H.X.4.2 The amount of the equitable adjustment for repair/replacement of warranted supplies shall be the lower of the replacement cost or the agreed upon repair cost to the Contractor. The replacement cost shall be the amount originally charged to the Government in the Contractors Bill of Material for the defective supplies plus Contractor mark-ups and profit (Components price not cost).

H.X.5 EXCLUSIONS:

H.X.5.1 The provisions of the warranty shall not apply to any warranted supplies if failure has been caused by:

- a. Improper installation or maintenance by the USG/GOE.
- b. Operation contrary to the validated and verified Technical manuals (TMs), design operating parameters, or other written instructions provided to and approved by the USG/GOE in such a way as to be a principal cause of the failure.
- c. Repair or alteration by the USG/GOE in such a way as to cause failure.
- d. Misuse, neglect, or accident, including, but not limited to, fire or explosion.

- e. Participation in a combat mission or having sustained combat damage from a combat mission.
- f. Operation outside the specific installation and operating limits specified in the Critical/Prime Item Product Fabrication Specifications or Design/System Specifications in such a way as to be a principal cause of the failure.
- g. Foreign object damage
- h. Installation operation in other than its intended use.
- i. Force Majeure, subversion, riots, vandalism, or sabotage, or fire explosion induced by or originating from sources external to the warranty items.
- j. Damage attributable to improper packaging, crating, handling, or storage by the Government to the extent of said damage.
- k. Damage attributable to use/storage in improper environmental conditions

H.X.6 DISCLAIMERS AND LIMITATIONS:

H.X.6.1 Disputes arising under this contract shall be resolved in accordance with the clause of this contract entitled Disputes.

H.X.6.2 This warranty is the only warranty applicable to the supplies delivered hereunder and is expressed in lieu of all other guarantees or warranties, express or implied, including any implied warranty of merchantability of fitness for a particular purpose. Additionally, the Contractor shall not be liable for consequential damages resulting from a failure under this clause of supplies delivered hereunder.

H.X.6.3 Government-Furnished Property (GFP) With respect to GFP, the Contractors warranty shall extend only to proper installation in accordance with the TDP so as not to degrade its performance and/or reliability, unless the Contractor is required to perform modifications or authorized repair on such property, in which case the Contractors warranty shall extend to such modification or authorized repair.

H.X.6.4 Unless specifically provided under this contract, this warranty is non-transferable to other than the intended user of the vehicle.

H.X.6.5 The rights and remedies of the Government provided in this clause:

- a. Shall not be affected in any way by any terms and conditions of this contract concerning the conclusiveness of inspection and acceptance.

- b. Are in addition to, and do not limit, any rights afforded to the Government by any other clause of this contract, including, but not limited to, initial acceptance of test criteria.

H.X.6.6 The Government shall bear the costs of removal, reinstallation, and transportation liabilities/costs resulting from actions under this clause.

H.X.6.7 The Contractor shall not be liable for warranty claims if it is determined that the failed part(s) was provided by any source other than the Contractor.

H.X.6.8 The Government will provide the Contractor with reimbursement for reasonable and necessary expenses incurred for analysis, inspection, and testing of alleged defects where no failure is determined to have occurred and the warranty claim was asserted without reasonable cause.

H.X.6.9 The parties agree that the contract as awarded includes no direct cost for administration or contingent costs related to this warranty. The parties further agree that the Contractors own direct administrative or contingent costs related to warranty shall not be recoverable under any equitable adjustment made pursuant to the Changes clause of this contract.

FIRST ARTICLE TEST (FAT) REQUIREMENTS

| PART NUMBER | DESCRIPTION | SUPPLIER | REQUIREMENT | FAT SCOPE |
|-------------|------------------------------|--------------|-------------|-----------|
| 12388910 | Drivers Inst. Panel | GDLS-TLH | SC-X15470 | ND |
| 12325516-2 | Harness Assembly | Egypt | SC-X15110 | ND |
| 12345215 | Harness Assembly | Egypt | SC-X15110 | ND |
| 12472963 | Harness Assembly | Bay Electron | SC-X15110 | ND |
| 12549762-6 | GPS | GDLS-ANNIST | SC-X17103 | ND |
| 12993404 | Redesign-Hull Networks Box | GDLS-GDC | 5257-973165 | ND |
| 12993405 | Redesign-Turret Networks Box | GDLS-GDC | 5257-973166 | ND |