

royalty a license to practice any DHC background patents, background data, know-how, or similar information for the purpose of manufacturing in the United States, and using and selling throughout the world (including the United States) systems utilizing the technology which has been further developed under the Agreement between the United States and Canada of November 10, 1970 concerning an augmentor wing flight test project. By reason of the contribution of the United States and Canadian Government agencies to this project and the funding in this area of technology over the last six years by the United States and Canadian Government agencies with DHC and others, DHC agrees to a royalty which shall be reduced to approximately half the royalty fee level which would normally obtain. In the event DHC and a NASA nominee are unable to agree on the terms of any such license, DHC agrees to submit the matters in dispute to a representative of NASA and the Department, whose decision shall be final. DHC further agrees not to exercise the right of injunction against a NASA nominee for the practice indicated above of any of the patented inventions claimed by DHC during the period a decision is pending."

VIII. Performance

1. The agencies, recognizing that significant delays by either side in the completion of the Project could impose commensurate cost burdens upon the other, will make every effort to avoid such delays.

2. Upon being advised of any occurrence which could cause delays or jeopardize the completion of the Project, the agencies or their designated representatives will meet promptly and decide on the future course of the Project.

IX. Warranty

For items procured by one agency but intended for use by the other agency, the procuring agency shall pass on to the other agency the warranty on items supplied that it would obtain should it procure such items for its own use.

X. Liability

1. If minor damage is sustained by the DHC-5 aircraft, spares or supporting equipment required for the cooperative Project, NASA will bear the cost of repairs to the airframe and the Department will bear the cost of repairs to the propulsion system.

2. If major damage is sustained by the DHC-5 aircraft, NASA and the Department or their designated representatives will consult and decide jointly whether the aircraft is beyond economical repair, taking into account not only the estimated cost of such repair, but also the extent of the Project already completed and any Project extension if repair were undertaken. If the decision is to undertake the repairs, the costs will be borne as in sub-paragraph (1) of this paragraph. If the decision is that the aircraft is damaged beyond economical