**SPECIAL PROVISIONS**

ARTICLE \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, DEFERRED DELIVERY AND PAYMENT

1. Upon completion of the Contract Products by the Seller, the Buyer will pay to the Seller the amount specified in this order for the Contract Products stored as described in B. and C. below, not to exceed 95% (ninety-five percent) of the contract products price as adjusted by Change Orders; 5% (five percent), will be paid to the Seller upon delivery.
2. Buyer will make payment to the Seller as specified above provided that a properly certified invoice is submitted. In the event that Contract Products are properly prepared for storage and that the storage facility is adequate to protect Contract Products being stored. In addition, Seller must provide necessary protection, preservation, and preventative maintenance (P&PM) on a regularly scheduled basis, as determined by Seller and IAW sound industrial practices on Contract Products while in storage. Seller shall advise the Buyer in writing that P&PM procedures will be performed to cover the Contract Products while in storage. Seller shall provide Buyer ten (10) days advance notice that the Contract Products are ready for storage.

Seller shall identify the area in which the Contract Products are stored as being material for Ingalls Shipbuilding. Stored Contract Products for Buyer must be segregated from those belonging to the Seller or others. Seller shall not, without written consent of Buyer, remove any part of Contract Products from storage unless they are being removed for delivery to the Buyer.

1. Title to the Contract Products and all materials, equipment and other property acquired or allocated to the performance of the subcontract shall vest in the Buyer forthwith upon the making of any payment. Said title shall vest in the Government upon delivery to the Buyer or other place of storage selected by Buyer, whichever of said events shall first occur. The Government shall have a lien to the extent of its payment upon the making of any payment on account thereof to the Buyer.
2. Price for storage is \_\_\_\_\_\_\_\_\_\_\_\_\_ per shipset, payable per payment terms on face of Purchase Order, or as set forth elsewhere in the Order.