

**PART III – List of Documents,  
Exhibits and Other Attachments**

**Section J**

**Appendix J**

**Advance Agreement on Costs of Battelle Owned Personal Property for the  
Pacific Northwest National Laboratory**

**Section J – Appendix J**

**Advance Agreement on Battelle Owned Personal Property for the Pacific Northwest National Laboratory**

The Parties agree as follows:

Battelle Memorial Institute (Battelle) owns one G-1 aircraft with associated parts. Such property identified is required for the continued operations and missions of the Pacific Northwest National Laboratory (PNNL).

For those personal property items related to the G-1 aircraft listed in Appendix J-1, Attachment C - Personal Property Associated with G-1 Aircraft, the Parties agree to review the list of property on an annual basis and determine the need for the property associated with the aircraft and its associated operation and against any requirements as promulgated by the Federal Aviation Administration. As personal property associated with the G-1 aircraft reaches a net book value of \$0, the Parties will be required to determine the appropriate pathway for disposition.

Battelle and DOE agree the best interests of both Parties are served by executing an Advance Agreement on the costs associated with the G-1 aircraft. The text of those advance agreements are described as follows in Appendix J-1.

Agreed and acknowledged by the Parties as of the 13th day of September, 2017.

Battelle Memorial Institute

By: Steven F. Ashby

Date: 9/13/17

U.S. Department of Energy

By: [Signature]

Date: 9-13-17

## APPENDIX J-1

### ADVANCE AGREEMENT ON COSTS OF BATTELLE OWNED PERSONAL PROPERTY

The Parties acknowledge that in consideration of the extension of Contract No. DE-AC05-76RL01830 from October 1, 2017 through September 30, 2022, it would be in the best interests of both Parties to enter into this Advance Agreement on Costs and Disposition of Battelle Owned Personal Property (hereinafter referred to as “the Agreement – Personal Property”),

The Parties agree as follows: General Principles

1. The Parties agree that each and every obligation of the Government contained herein involving an expenditure of funds is subject to the availability of the appropriated funds of the DOE, or in the event of a claim, as provided by the Contract Disputes Act, if applicable. DOE will use its best efforts to obtain funds to meet all of its obligations under this Agreement - Personal Property. Nothing herein shall be construed as implying that the Congress will, at a later date, appropriate funds sufficient to meet deficiencies.

#### Aircraft

1. Battelle currently owns a certain aircraft and associated personal property, as described in Attachment C - Personal Property Associated with G-1 Aircraft.
2. Missions assigned to and undertaken by Battelle as Operator of PNNL have need for such aircraft. As such it is considered in the Government’s interest for Battelle to continue to provide such aircraft and associated personal property on an exclusive basis for use under the PNNL Prime Contract. While in the service of PNNL, such aircraft will be maintained in compliance with any and all statutes, laws, ordinances, regulations and standards or directives issued by any governmental agency applicable to the maintenance thereof, in compliance with any airworthiness certificate, license or registration relating to such aircraft issued by any agency and in a manner that does not modify or impair any existing warranties on the aircraft or any part thereof.
3. As of October 1, 2017, expenses associated with the maintenance and management of such aircraft and associated personal property identified in Attachment C (including, without limitation, (i) depreciation, (ii) the cost of capital, (iii) the allocable portion of a liability insurance policy with a policy limit of \$50,000,000.00, (iv) future repair/replacement of parts or components of the aircraft and associated personal property, and (v) all costs of maintaining and managing the aircraft and associated personal property) shall be allowable under the terms of the PNNL Prime Contract, if not otherwise unallowable under any other term of the Contract, so long as:
  - a. The aircraft and associated personal property remain functional and available for

- DOE use, and
- b. The aircraft and associated personal property are necessary for conduct of assigned missions and/or capabilities of PNNL, and
  - c. DOE has not expressly declined utilization of the aircraft and associated personal property.
4. Given that some parts are no longer manufactured for the G-1, exception is given to FAR 52.211-5 Material Requirements for those items necessary for G-1 operation and maintenance. Battelle may purchase used and/or refurbished items as appropriate such that airworthiness is not imperiled. Projects may elect to bear certain expenses such as replacement parts and spares to assure mission readiness such authorizations will be made and/or limited via explicit direction in work authorizations. Otherwise all federally funded capital expenditures must be authorized by the CO.
  5. If and when DOE determines that PNNL mission needs no longer necessitate utilization of the G-1, DOE shall provide Battelle 90 days' notice. DOE agrees to restoration of the G-1 of any federally funded mission specific modifications, if requested by Battelle. Upon such notice and possible sale, DOE agrees to abandon all federal property and parts installed on the G-1 in exchange for recovery of the value of such parts and any creditable depreciation recapture by Battelle.
  6. In accordance with disclosed accounting practices, Battelle will set a reasonable hour base for application of pooled costs. Un-recouped pool costs will be applied across DOE users, unless otherwise explicitly directed by the CO.
  7. Battelle shall bear the entire risk of any property loss, theft, confiscation, expropriation, requisition, damage to, or destruction of, such aircraft or part thereof owned by Battelle from any cause whatsoever, except to the extent such events directly result from the gross negligence or willful misconduct of DOE. If for any reason such aircraft, or any part thereof owned by Battelle becomes irreparably damaged or unusable, then Battelle, may at its own cost and expense replace such property and equipment or withdraw the aircraft or part thereof from PNNL use.
  8. At no point shall such aircraft be transferred to DOE without express written acceptance by DOE.
  9. Battelle shall annually update the status of personal property described on Attachment C.