49.109-2 Reservations.

(a) The TCO *shall-*

(1) Reserve in the *settlement agreement* any rights or demands of the parties that are excepted from the settlement;

(2) Ensure that the wording of the reservation does not create any rights for the parties beyond those in existence before execution of the *settlement agreement;*

(3) Mark each applicable *settlement agreement* with "This *settlement agreement* contains a reservation" and retain the contract file until the reservation is removed;

(4) Ensure that sufficient funds are retained to cover complete settlement of the reserved items; and

(5) At the appropriate time, prepare a separate settlement of reserved items and include it in a separate *settlement agreement*.

(b) A recommended format for settlement of reservations appears in 49.603-9.

Parent topic: 49.109 Settlement agreements.