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.