1. ACCEPTANCE: Agreement by Seller to furnish the materials or services hereby ordered, or its furnishing such materials or services in whole or in part, shall constitute acceptance by Seller of this order subject to these terms and conditions, together with such modifications as are accepted in writing by Buyer, constitute the entire agreement between the parties. The invalidity in whole, or in part of any condition of this order, shall not affect the validity of other conditions.

REFERENCE IN THIS ORDER TO SELLER’S QUOTATION DOES NOT IMPLY ACCEPTANCE OF SUCH QUOTATION TERMS AND CONDITIONS WHICH ARE IN ADDITION TO, OR INCONSISTENT WITH THIS ORDER TERMS AND CONDITIONS.

2. SHIPPING DIRECTIONS/TRANSPORTATION CHARGES: Seller shall pack, mark and ship all goods and supplies in accordance with the requirements of this order so as to be in compliance with transportation regulations and good commercial practice for protection and shipment and shall secure the most advantageous transportation service and rates consistent therewith. If requested by Buyer, Seller shall, at Seller’s expense, ship via air or other express transportation to avoid or minimize the delay to the maximum extent possible.

All items shipped in one day from and to a single location must be consolidated on one bill of lading unless otherwise directed. No charges will be allowed for packing, crating, freight or cartage unless specifically agreed to in writing. Freight or express and insurance charges shall be prepaid by Seller when price is F.O.B. destination. Seller must pay transportation charges both ways on rejected materials.

3. DELIVERY REQUIREMENTS/NOTICE OF LABOR DISPUTES: Time is of the essence for this order; and no acts of Buyer, including without limitation, modification of this order or acceptance of late deliveries, shall constitute waiver of this provision. Order delivery shall be strictly in accordance with the specified quantities, without shortage or excess unless otherwise approved in advance by Buyer. Buyer also reserves the right to refuse or return, at Seller’s risk and expense, shipments made in excess of Buyer’s orders or in advance of required schedules, or to defer payment of advance deliveries until scheduled delivery dates. Seller shall notify Buyer immediately of any actual or potential labor dispute which is delaying, or threatens to delay, the timely performance of this order. Such notice shall include all relevant information with respect to such dispute.

The Buyer may at any time postpone delivery of any of the articles ordered herein for a reasonable period of time as to any particular scheduled shipment without any additional cost.

4. TERMINATION/BREACH OF CONTRACT/DAMAGES: Buyer may, by written notice, direct Seller to terminate this order or work under this order in whole or in part, with of without cause, at any time and such termination shall not constitute a default by Buyer. In no event shall Seller be entitled to anticipatory profits or to special or consequential damages as a result of Buyer termination. In the event of Seller’s default or potential inability to perform this order, Seller shall upon demand by Buyer, deliver to Buyer the raw materials, tooling and work in-process acquired or performed under this order and Buyer may then complete the work, deducting the cost of such completion from the price, or in the alternative, pay to the Seller the cost of such raw materials and work in-process.

In the event of any proceedings, voluntary or involuntary, in bankruptcy or insolvency by or against the Seller, including and proceeding under the Chandler Act, or in the event of the appointment with or without the Seller’s consent, or an assignee for the benefit of creditors or a receiver, then the Buyer shall be entitled to cancel any unfilled parts of this Purchase Order without any liability whatsoever.

5. BUYER’S PROPERTY: All specifications, drawings, data/software, tools, materials and other items which are supplied by Buyer to Seller shall be proprietary and not disclosed unless authorized by Buyer. The items shall remain the property of Buyer (or of the Government or other party where the Government or such other party has or acquires title thereto) and Buyer shall have the right to enter Seller’s premises and remove them at any time without being guilty of trespass or liable to Seller for damages. All such items shall be used only in the performance of this order unless Buyer consents otherwise in writing, except that as to any such items which are owned by the Government of which the Government has the right to use, the Seller may use such items in the performance of any direct contract between the Seller and the Government on a non-interference basis after the Government has expressly authorized such use in writing with written notice of such authorization to the Buyer. Seller shall prominently mark all such items as the property of Buyer or the Government as directed by Buyer. Seller shall similarly list all such items on invoices and shall be responsible for them until delivered to Buyer. Seller shall not dispose of any such items without Buyer’s written consent. The provisions of this Article 5 hereinabove set forth shall survive delivery and payment and remain in full force until all such items are delivered to Buyer or otherwise disposed of with Buyer’s written consent. Seller shall indemnify and save Buyer harmless from all claims which may be asserted against said property, including without limitation mechanic’s liens or claims arising under Workmen’s Compensation or Occupational Disease laws, and from all claims for injury to persons or property arising out of or related to such property unless the same are caused solely and directly by Buyer’s negligence.

Title to all property furnished to Seller by Buyer, or paid for by Buyer, shall remain with the Buyer or the Government. Seller shall not alter or use such property for any purpose other than as specified by Buyer or for any other reason without Buyer’s prior written consent. Seller shall keep adequate records for all Buyer/Government property which shall be made available to Buyer, and Seller shall store, protect, preserve, repair and maintain such property in accordance with sound industrial practice at all Seller’s expense. Unless otherwise agreed by Buyer, Buyer shall insure Buyer’s interests in such material against loss or damage by reason of fire (including extended coverage), rider or civil commotion.

6. SUBCONTRACTING/ASSIGNMENT: None of the work contemplated by Buyer as to be performed by Seller under this order shall be subcontracted without the prior written consent of Buyer. Subcontracting excludes acquisition of new materials and standard commercial items and equipment.

Seller shall not assign monies due, or to become due under this order, without the prior written consent of Buyer. Such approved assigned accounts shall be subject to set-off, recoupment or other claim of Buyer against Seller. Buyer shall have the right at any time to set-off any amount owing from Seller to Buyer against any amount due and owing to Seller or any of its subsidiaries, pursuant to this order or any other contractual agreement between Buyer and Seller or their respective subsidiaries.

7. SPECIFICATIONS/WARRANTY/INSPECTION: Materials/Products made in accordance with Buyer’s specifications and drawings shall not be furnished or quoted to any other person or concern without Buyer’s written consent. The foregoing shall not be construed as applicable to any use by Seller of drawings or specifications which are owned by the Government or as to which the Government has the right to authorize use in the performance of any direct contract between the Government and the subcontractor on a non-interference basis, provided the Government gives written notice of such use to Buyer. In the event of conflict between specification, drawings, samples, designated type, part number or catalog description, the specifications shall govern over drawings, drawings
over samples, whether or not approved by Buyer, and samples over designated type, part number or catalog description. In case of ambiguity in the specifications, drawings or other requirements of this order, Seller shall proceed, consult with Buyer whose written interpretation shall be final.

Seller warrants the materials delivered or services rendered on this order to be free from defects in workmanship, materials and design and to be in accordance with Buyer's specifications, drawings and/or samples in all respects. These warranties shall be effective for one year and survive acceptance and payment. Seller shall be liable for and save Buyer harmless from any loss, damage or expense whatsoever that Buyer may suffer from breach of any of these warranties.

All material and workmanship shall be subject to inspection by Buyer/Government before and after delivery. The Buyer may require Seller to replace rejected material or Buyer may accept any materials that conform to Seller's specifications/warranties. Upon discovery of materials not so conforming, Buyer may reject or keep and rework such materials not so conforming. Cost of rework, inspection, transportation, repackaging and/or reinspection by Buyer shall be at Seller's expense. Inspection and test by Buyer and/or Government does not relieve Seller from any responsibility regarding latent defects, fraud, gross mistakes or other failures to meet the requirements of this order. It is expressly agreed that inspections and/or payments prior to delivery shall not constitute final acceptance. Final inspection shall be on the Buyer's premises unless otherwise agreed in writing.

8. CHANGES: Buyer shall have the right, by written order, to suspend work or to make changes (within the scope of the Order) in the products, work and services to be rendered by Seller hereunder. If such suspension or changes cause an increase or decrease in the cost of performance of this order or in the time required for its performance, an equitable adjustment shall be negotiated promptly, and the order shall be modified in writing accordingly. Any claims by Seller for adjustment under this clause must be asserted in writing within 30 days from the date of receipt by Seller of notification of the change or suspension and shall be followed as soon as practical with specification of the amount claimed and supporting cost figures, however nothing herein shall excuse the Seller from proceeding with this purchase order as changed.

9. PATENTS/COPYRIGHT/TRADEMARK: Seller warrants that the sale, use or incorporation into manufactured products of all machines, devices and material furnished hereunder which are not of Buyer's design, composition or manufacture, shall be free and clear of infringement of any valid patent, copyright or trademark. Seller shall save Buyer and its customers harmless from any and all expenses, liability and loss of any kind (and the costs and expenses, including attorneys' fees), growing out of claims, suits or actions alleging such infringement which claims, suits or actions Seller agrees to compose or defend.

Where the Seller is employed to invent or develop specific products or articles, all inventions made in carrying out this order shall be the sole property of the Buyer, and Seller will, at the request and expense of the Buyer, cause applications for patent covering the same to be executed and assigned to the Buyer.

10. TAXES, Seller's prices shall be exclusive of any federal, state or local sales/use or excise taxes levied upon or measured by the sale, the sale price or use of the goods required in performance of this order. Seller shall list separately on its invoice any such tax lawfully applicable to any such goods and services which are payable by the Buyer with respect to which Buyer does not furnish to Seller lawful evidence of exemption. Seller agrees to comply with any reasonable request by Buyer regarding payments under protest in regarding any refunds, claims, litigations or proceedings with respect to any such taxes and to make appropriate adjustments to afford Buyer the benefit of any refund or reduction of such taxes. Seller shall be responsible for all property taxes and other taxes applicable to its business operation.

11. COMPLIANCE WITH LAW/GRATUITIES: Seller warrants that the materials/products to be furnished and the services to be rendered under this order shall be manufactured, sold and used in compliance with all relevant Federal, State and Local laws and regulations. Seller certifies that with respect to the production of the articles and/or performance of the services covered by its invoice fully complies with the Fair Labor Standards Act of 1938, as amended.

Seller warrants that it has not offered or given and will not offer or give to any employee, agent or representative of Buyer, any gratuity with a view toward securing any business from Buyer or influencing such person with respect to the terms, conditions or performance of any contract with or order from Buyer. Any breach of this warranty shall be a material breach of each and every contract between Buyer and Seller.

12. INDEMNITY AGAINST CLAIMS: Seller shall indemnify Buyer against all loss on account of claims of injury to persons (including death) or damage to property which may result in any way from any act or omission of Seller or its agents, employees or subcontractors. Seller shall also maintain such Public Liability, Property Damage, Employer's Liability and Compensation Insurance and Motor Vehicle Liability (Personal Injury and Property Damage) as will protect Seller (or its subcontractors) and Buyer from said risks and from any claims arising from any applicable Workmen's Compensation or Occupational Disease statutes.

13. DISPUTES/CONTINUING PERFORMANCE: Either party may litigate any dispute arising under or relating to this order before any court of competent jurisdiction subject to the following: Irrespective of the place of performance, this order will be construed and interpreted according to the federal common law of government contracts as enunciated and applied by federal judicial bodies, boards of contract appeals and quasijudicial agencies of the Federal Government. To the extent that the federal common laws of government contracts is not dispositive, the laws of the state from which Buyer's order is issued shall apply.

Pending resolution of any dispute or rising in connection with this order, Seller shall proceed diligently to perform the work or services or supply the goods contracted for by this order.

14. REMEDIES: The remedies provided by this order shall be cumulative in addition to any other remedies provided by law or equity. A waiver of a breach of any provision, hereof, shall not constitute a waiver of any other breach. The laws of the state shown in Buyers address printed on the masthead of this order shall apply in the construction hereof.

15. LIENS: Seller agrees to deliver to Buyer the work, materials or services covered by this order free and clear of all liens, claims, and encumbrances.

PART II – GOVERNMENT PROVISIONS

Refer to Attachment A