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This order is subject to the following conditions:

1. This purchase order constitutes Buyer's offer to Seller, and becomes a binding contract on the terms set forth herein when accepted by Seller either by acknowledgment or the commencement of performance hereof. No revision of this order shall be valid unless in writing and signed by an authorized representative of Buyer; and no condition stated by Seller in accepting or acknowledging this order shall be binding upon Buyer if inconsistent with or in addition to the terms and conditions herein unless expressly accepted in writing by Buyer.

2. The Seller expressly warrants that all articles ordered to specifications will conform thereto and to the drawings, samples or other descriptions furnished or adopted by Buyer and that all articles will be merchantable, of good material and workmanship and free from defect.

3. Unless otherwise specified, all articles ordered will be subject to final inspection and approval at the plant of the Buyer to which delivery is to be made by either or both Buyer's inspectors and, if applicable, government inspectors. Such inspection will be made within a reasonable time after arrival of the articles at destination, irrespective of the date of payment therefore. The Buyer may either hold any rejected articles for the Seller's instructions and at its risk or return them to the Seller at the Seller's expense.

4. No charges will be allowed for draying, boxing or packaging unless stated. All articles are to be suitably packed or otherwise prepared for shipment so as to secure the lowest transportation and insurance rates.

5. The Seller shall indemnify the Buyer against liability on any claim of infringement of any U. S. patent or patent right which might in any manner arise in connection with the work done or material furnished by the Seller. In making this purchase the Buyer does not recognize the validity of any patent.

6. No assignment or sub-letting of this order in whole or in part may be made without the Buyer's written consent, provided, however, that this prohibition shall not extend to any assignment by the Seller of any monies due hereunder.

7. The Buyer may cancel this order if the quality or quantity of the articles delivered hereunder is not as specified or as expressly or impliedly represented or warranted.

8. Delays in Delivery—Seller will not be liable for damages for delays in delivery due to causes beyond its reasonable control. If Seller, however, for any reason does not substantially comply with Buyer's delivery schedule, Buyer at its option may either approve a revised delivery schedule, or may terminate the order either in whole or in part without liability to Seller on account thereof.

9. The Seller agrees to comply with the applicable provisions of any Federal or State law and all executive orders, rules and regulations issued thereunder, whether now or hereafter in force; and any provisions, representations, or agreements required thereby to be included in the contract resulting from acceptance of this order are hereby incorporated by reference.

10. Seller hereby certifies that all goods delivered hereunder are produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act, as amended, and of Regulations and Orders of the United States Department of Labor issued under Section 14 thereof.

11. (a) The Buyer may terminate work under this order in whole or in part at any time by written or telegraphic notice, whenever, without the fault of the Buyer, (1) the Government requests the termination of this order or (2) a contract between the Buyer and a third person requiring for its performance articles or services of the kind or type covered by this order is terminated, in whole or in part, or amended to eliminate or reduce such requirements. Such notice shall state the extent and effective date of such termination; and, upon the receipt thereof, the Seller will as and to the extent directed by the Buyer, stop work under this order and the placement of further orders or sub-contracts hereunder, terminate work under orders and take any necessary action to protect the property in the Seller's possession in which the Buyer has or may acquire an interest.

(b) If the parties cannot by negotiation agree within a reasonable time upon the amount of fair compensation to the Seller for such termination, the Buyer in addition to making prompt payment of amounts due for articles delivered or services rendered prior to the effective date of termination will pay to the Seller the following amounts without duplication:

(1) The contract price for all articles or services which have been completed in accordance with this order and not previously paid for.

(2) (i) The actual costs incurred by the Seller which are properly allocable or apportionable under recognized commercial accounting practices to the terminated portion of this order, including the cost of discharging liabilities which are so allocable or apportionable, and (ii) a sum equal to 2% of the part of such costs representing the costs of articles or materials not processed by the Seller, plus a sum equal to 8% of the remainder of such costs, but the aggregate of such sums shall not exceed 5% of the whole of such costs. For the purpose of subdivision (ii) such costs shall exclude any charge for interest on borrowing and shall exclude the cost of discharging liabilities for parts, materials and services not received by the Seller before the effective date of termination.

(3) The reasonable costs of the Seller in making settlement hereunder and in protecting property in which the Buyer has or may acquire an interest.

Payments made under this paragraph (b), exclusive of payments under sub-paragraph (3), shall not exceed the aggregate price specified in this order, less payments otherwise made or to be made.

(c) With the consent of the Buyer, the Seller may retain at an agreed price or sell at an approved price any completed articles, or any articles, materials, work in process or other things the cost of which is allocable or apportionable to this order under paragraph (b) (2) above, and will credit or pay the amounts so agreed or received as the Buyer directs. As directed by the Buyer, the Seller will transfer title to, and make delivery of, any such articles, materials, work in process or other things not so returned or sold. Appropriate adjustment will be made for delivery costs or savings therein.

(d) The provisions of this Article 11 shall not limit or affect the right of the Buyer to terminate this order for the default of the Seller or as otherwise provided herein.

12. This contract is, or may be, subject to the Renegotiation Act of 1951, and if subject thereto, the Seller hereby agrees as follows:

(a) to the elimination of excessive profits through negotiations;

(b) that there may be withheld by the Buyer for the United States from amounts otherwise due to the Seller, or the Seller will repay to the United States, if paid to him, any excessive profits;

(c) that Buyer shall be relieved of all liability to the Seller on account of any amount so withheld, or so repaid by the Seller to the United States; and

(d) that the Seller will insert in each of its sub-contracts covered by said Act, provisions corresponding to those in A, B, and C above, and in this sub-paragraph D.

13. This contract shall be deemed to contain all of the provisions and agreements required by Section 3 of the Act of March 27, 1934 (Vinson Act) as amended, to the extent that, by the terms of said Act or any amendment thereto, such provisions and agreements are applicable.

14. The Equal Employment Opportunity Clause, Section 202, of Executive Order 11246, as amended, relating to Equal Employment Opportunities, and implementing rules and regulations of the Secretary of Labor are incorporated herein by specific reference.

PURCHASING DEPARTMENT
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