

T-7

PURCHASE ORDER TERMS AND CONDITIONS (COMMERCIAL) (TIME BASED - SERVICES) (2-00)

1. DEFINITIONS

"Buyer" means Northrop Grumman Corporation including its subsidiaries, sectors, and business areas as identified on the face of the Order.

"Data" means all designs, dimensions, specifications, drawings, patterns, know how, or other information concerning methods, manufacturing processes, equipment, gauges and tools used in the design and manufacture of Products. Data may be recorded in a written or printed document, computer or electronic file, electromagnetic tape or disc, software, or any other tangible form of expression.

"Order" means the instrument of contracting including this Purchase Order and all referenced documents.

"Parties" means Buyer and Seller collectively.

"Prime Contract" means the contracting instrument issued to Buyer or Buyer's higher tier customer.

"Proprietary Information" means all Data that is identified in writing at the time of disclosure as proprietary and marked with an appropriate legend, marking or stamp identifying the Data as proprietary to the party disclosing the information.

"Seller" means the party with whom Buyer is contracting.

"Service" means Seller's time and effort, including any goods, supplies, materials, articles, items, parts, components or assemblies ("Products") incidental to the performance of the Service.

2. ACCEPTANCE

This Order is Buyer's offer to Seller. Seller's acceptance is expressly limited to the written terms of this Order. No additional or different term shall be binding. Buyer hereby objects to any additional or different terms contained in Seller's acceptance. Any of the following acts by Seller shall constitute acceptance:

- A. Signing and returning a copy of this Order;
- B. Commencing performance of any effort required to complete this Order;
- C. Informing Buyer of commencement of any effort required to complete this Order; or
- D. Shipping of any Products in performance of this Order.

3. ORDER OF PRECEDENCE

In the event of any inconsistency between any parts of this Order, the inconsistency shall be resolved by giving precedence in the following order:

- A. Typed Purchase Order.
- B. Purchase Order Terms and Conditions.
- C. Statement of Work.
- D. Specification/Drawing.
- E. Supplier Data Requirements List (SDRL)/Data Item Description (DID).

F. Other Referenced Documents.

4. WARRANTY

Notwithstanding inspection and acceptance by Buyer, Seller warrants that all Services performed under this Order will be performed in accordance with the standards of care and diligence normally exercised by persons performing such Services in the industry, be free from defects in workmanship, and conform to the requirements of the Order. Seller shall correct or re-perform any defective or non-conforming Services at no cost to the Buyer. If Buyer does not require correction or re-performance, Buyer shall be entitled to an equitable adjustment.

5. BUYER AUTHORIZATION

- A. The Buyer's authorized purchasing representative has sole authority to make contractual commitments on behalf of the Buyer, to provide contractual direction, and to change contractual requirements as defined in the Order.
- B. Buyer's representatives other than Buyer's authorized purchasing representative may release to Seller information applicable to this Order. If information so provided to the Seller changes the contractual requirements and/or performance of the Order, Seller shall not act on that information and it shall not be contractually effective until Seller receives written contractual direction to act from the Buyer's authorized purchasing representative.

6. RELATIONSHIP OF THE PARTIES

The relationship of Seller to Buyer shall be that of an independent contractor and nothing herein contained shall be construed as creating any employer/employee, agency, or other relationship of any kind. Seller's employees, agents or representatives (hereinafter "Employees") performing Services under this Order shall at all times be under Seller's direction and control. Seller shall pay all wages, salaries, and other amounts due its Employees in connection with this Order and shall be responsible for all reports and obligations for its Employees, including, but not limited to, social security and income tax withholdings, unemployment compensation, worker's compensation, and equal employment opportunity reporting.

7. SELLER'S EMPLOYEES

- A. All personnel assigned by Seller to perform the Services to be furnished hereunder shall be capable, skilled, qualified and competent to perform such Services.
- B. Buyer may require Seller to remove from its or customer's premises any employee, agent, or representative of Seller, or any of its Subcontractors, Buyer deems incompetent, careless or otherwise objectionable. Seller shall remove such employee, agent or representative from the premises immediately.
- C. At all times Seller shall use suitable safety precautions, including, as a minimum, those safety precautions issued in instructions and directions by Buyer or Buyer's customer. Such safety precautions shall include, but not be limited to, the use of proper materials, tools, equipment and other safeguards, as appropriate.
- D. Seller and Seller's personnel shall also comply with all applicable rules, regulations and orders of the Occupational Safety and Health Act of 1970 (P.L. 91-596, 29 USC 651-678), as amended, and all applicable safety laws, rules, regulations and orders of the United States and the State wherein this Order is being performed. Seller agrees to defend, hold harmless, and indemnify

Buyer from and against any noncompliance by Seller with any of the above laws, rules, regulations and orders as may be applicable.

- E. If this Order requires Seller's personnel to enter Buyer's or Buyer's customer's premises, Seller agrees to have its personnel, engaged in the performance of Services hereunder, report to Buyer's plant, at times to be specified by Buyer, at Seller's expense (unless otherwise herein specified), for attendance at a training session or sessions concerning Buyer's or its customer's standards and procedures relating to on-site rules of behavior, work schedule, security procedures and any other standards and procedures adhered to by Buyer's or customer's employees.

8. BADGES AND PLANT SECURITY

If this Order requires Seller's personnel to enter Buyer's or Buyer's customer's premises, Seller agrees to have its personnel, engaged in the performance of Services hereunder, report to Buyer's plant, at times to be specified by Buyer, so that Buyer may provide said personnel with identification badges, which will permit such personnel to enter and leave the premises where the work is to be performed. Seller further agrees that said badges shall be worn by said personnel, in a conspicuous place upon the person of each of its personnel, when such personnel are in, on, or about the premises. Seller further agrees to abide by and comply with, and require its Employees to abide by and comply with, such rules and regulations pertaining to plant security as may be prescribed by Buyer.

9. SERVICE RATES AND INVOICING

- A. The rates for straight time and overtime work, which Seller will bill Buyer, for Services furnished under this Order, shall be those set forth in this Order. Buyer shall make no payment for work performed during holiday, or other overtime periods, unless such work is expressly authorized by Buyer.
- B. Seller represents that the rates set forth in this Order include all profit, wages, salaries, overhead, taxes, and other costs and expenses.
- C. Unless otherwise specified, Seller shall submit an invoice in duplicate to Buyer's procurement representative at the location identified on the face of this Order and shall include: Purchase Order number, Purchase Order type, item number, part number (if applicable), and a brief description of the Service or Product. Seller shall also provide such evidence as Buyer may reasonably require in support of the invoice. No invoice shall be issued prior to completion of Services or shipment of Products. Payment due dates, including discount periods, will be calculated from the date of acceptance of Service or Product, or receipt of correct invoice, whichever is later. Payment of invoice shall not constitute approval or acceptance of Services or Products rendered. At any time prior to final payment under this Order, Buyer may have invoices audited as to validity. Payment of Seller's invoices shall be subject to adjustment for any amounts found upon audit or otherwise to have been improperly invoiced.

10. PAYMENT FOR LABOR AND MATERIAL AND WAIVER OF LIENS

- A. Seller shall be responsible for the prompt payment of all persons who perform labor upon or furnish Services, materials, equipment, supplies or other items used, or to be used, in the performance of the Service called for by this Order.
- B. Seller shall:
 - 1. Defend, hold harmless, and indemnify Buyer from all claims, demands, causes of action or suits, of whatever nature, arising out of the Services, labor and materials furnished by Seller or its subcontractors and from all laborer's, material men's and mechanic's liens upon any

- real property and fixtures thereto and upon any tangible personal property provided by Buyer, arising out of the Services, labor and materials furnished by Seller or any of its subcontractors under this Order; and
2. Keep said property free and clear of all liens, claims and encumbrances arising from the performance of this Order by Seller or its subcontractors.
- C. Seller, for its subcontractors, material men, laborers and for all other persons performing any labor or furnishing any Services, labor or materials for any of the work, hereby waives, to the full extent permitted by law, all right to file or maintain any mechanical or other liens or claims for and on account of the Services, labor or materials to be furnished hereunder.
- D. It is the intention of the Parties hereto, and Seller agrees, that if Seller or any of its subcontractors, of any tier, fail to pay all such persons, Buyer may, at any time after five (5) days written notice to Seller, pay such persons directly and deduct such payments from any amounts due Seller hereunder.

11. CHANGES

- A. Buyer's authorized representative may at any time, by written order, and without notice to sureties or assignees, if any, make changes within the general scope of this Order in (1) description of Services, (2) time of performance (i.e., hours of the day, days of the week, etc.), (3) place of performance of the Services, (4) drawings, designs, specifications, planning, and/or other technical documents, (5) method of shipment, packaging, or packing of any Products, and (6) place of delivery of any Products.
- B. If the change causes an increase or decrease in the cost or time required to perform this Order, whether or not changed by the Change Order or Purchase Order Change Notice, an equitable adjustment shall be made in the purchase price and/or delivery schedule and the Order shall be modified in writing accordingly.
- C. Any claim shall be unconditionally waived unless asserted in writing and delivered to Buyer within fifteen (15) days of the date of the written Change Order.
- D. If Seller claims the cost of any property made obsolete or excess, Buyer shall have the right to prescribe the manner of disposition of the property to include the right to acquire that property for the cost claimed.
- E. Buyer has the right to examine any of Seller's pertinent books and records for the purpose of
- F. Failure to agree to any adjustment shall be a dispute within the meaning of the "Disputes" clause hereof. However, Seller shall not be excused from proceeding with the Order as changed.

12. TERMINATION FOR CONVENIENCE

- A. Buyer may terminate performance of Services under this Order in whole or, from time to time, in part if Buyer determines that a termination is in its interest. Buyer shall terminate by delivering to Seller a Notice of Termination specifying the extent of termination and the effective date.
- B. After receipt of a Notice of Termination, and except as directed by Buyer, Seller shall immediately, as to the terminated portion of this Order, promptly stop work, notify subcontractors to stop work, and protect property in Seller's possession in which Buyer has or may acquire an interest.
- C. In the event of termination, the Order shall be amended and Seller paid:
1. The actual costs incurred up to and including the date of termination which, using recognized accounting practices, are properly allocable to, or apportionable under the

terminated portion of the Order; this will include costs to subcontractors which are so allocable.

2. Reasonable termination expenses.
 3. A fair and reasonable profit, determined by Buyer; however, if it appears that Seller would have sustained a loss on the entire Order had it been completed, Buyer shall allow no profit and shall reduce the amount paid to reflect the indicated rate of loss.
- D. In no event shall payment to Seller exceed the total Order price as reduced by the amount of payments previously made and the Order price of work not terminated, nor shall Buyer be liable for incidental or consequential liabilities. Seller shall submit its termination claim to Buyer within three (3) months after the effective date of the termination, unless otherwise directed by Buyer.
- E. The cost principles and procedures of Part 31 of the U.S. Federal Acquisition Regulation, in effect on the date of this Order, shall govern all costs claimed, agreed to, or determined under this clause.
- F. Unless otherwise provided in this Order, Seller shall maintain all records and documents relating to the terminated portion of this Order for three (3) years after final settlement. This includes all books and other evidence bearing on Seller's costs and expenses under this Order. Seller shall make these records and documents available to Buyer, at Seller's office, at all reasonable times, without any direct charge. If approved by Buyer, photographs, microphotographs, or other authentic reproductions may be maintained instead of original records and documents.

13. TERMINATION FOR DEFAULT

- A. Subject to paragraphs C and D below, Buyer may terminate this Order in whole or in part, by written notice of default to Seller if Seller:
1. Fails to perform the Services within the time specified in this Order or any extension;
 2. Fails to make progress so as to endanger performance of this Order or to perform any of the other provisions of this Order and does not cure that failure within a period of 10 days after receipt of notice from Buyer specifying Seller's failure to perform; or
 3. Fails to provide adequate assurances of performance in accordance with Assurance of Performance clause herein;
 4. Becomes insolvent or makes a general assignment for the benefit of creditors, or files or has filed against it a petition of bankruptcy or for reorganization, or pursues any other remedy under any other law relating to the relief for debtors, or in the event a trustee or receiver is appointed for Seller's property or business; or assignment.
- B. If Buyer terminates this Order in whole or in part, it may acquire, under the terms and in the manner Buyer considers appropriate, Services similar to those terminated, and Seller will be liable to Buyer for any excess costs for those Services. However, Seller shall continue the work not terminated.
- C. If the failure to perform is caused by an excusable delay, as described in the Excusable Delay clause herein, Seller shall not be liable for any excess costs of re-procurement.
- D. If the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is beyond the control of both Seller and subcontractor, and without the fault or negligence of either, Seller shall not be liable for any excess costs for failure to perform, unless the subcontracted Services were obtainable from other sources in sufficient time for Seller to meet the required deliver schedule.
- E. If this Order is terminated for default, Buyer may require Seller to transfer title and deliver to Buyer, as directed by Buyer, any completed or partially completed supplies, materials, plans,

drawings, information, and contract rights (collectively referred to as “manufacturing materials” in this clause) that Seller has specifically produced or acquired for the terminated portion of this Order. Upon direction of Buyer, Seller shall also protect and preserve property in its possession in which Buyer has an interest.

- F. Buyer shall pay the Order price for completed Service performed and accepted. Seller and Buyer shall agree on the amount of payment for protection and preservation of the property.
- G. Buyer shall, at its option, have the right to set off against, or appropriate and apply to the payment or performance of any obligation, sum or amount owing at any time to Buyer under this Order, all deposits, amounts, or balances held by Buyer for the account of Seller, any amounts owed by Buyer to Seller, and any sum Buyer determines to be necessary to protect Buyer against loss because of outstanding liens or claims of former lien holders.
- H. The rights and remedies of Buyer in this clause are in addition to any other rights and remedies provided by law or under this Order

14. ADEQUATE ASSURANCE OF PERFORMANCE

- A. If at any time Buyer has reasonable grounds for insecurity whether Seller’s performance will be full, timely, and continuing in accordance with the requirements of this Order, Buyer may request, by written notice to Seller, satisfactory assurances in writing that Seller is able or willing to perform all of its respective obligations under this Order.
- B. Seller shall provide with its assurances of performance any information, reports, or other materials, prepared by Seller as Buyer may reasonably request. Upon Buyer’s request and as soon as practicable, Seller shall make available employees, including members of Seller’s senior management, to meet with Buyer to discuss those assurances of performance.
- C. If Seller does not provide adequate written assurances within fifteen (15) days of Buyer’s written notice and request, Buyer may, at its option, treat this Order as breached by Seller, or as canceled.

15. EXCUSABLE DELAYS

All Services furnished hereunder shall be furnished at the time specified on the Order or any Change Order thereto. However, Seller shall not be charged for any liability for failure or delay in furnishing such Services when such failure or delay is due to causes beyond the control and without the fault or negligence of Seller; provided, that Seller gives to Buyer prompt notice in writing when it appears that such cause will delay the furnishing of such Services. Correspondingly, Buyer shall be excused for failure or delay in performance of this Order due to causes beyond its control and without its fault or negligence.

16. DISPUTES

- A. Any dispute that may arise under or in connection with this Order with respect to the rights, duties, or obligations of the Parties shall be reduced to writing and submitted for resolution to ascending levels of management of the respective Parties up to the Senior Executive of the Materiel or Procurement organization placing the Order, and Seller’s equivalent executive level.
- B. Any dispute that cannot be resolved to both Parties’ mutual satisfaction, after good faith negotiations, within ninety (90) calendar days from the date the written claim is received by the other party, or such additional time as the Parties agree upon, in writing, either party may bring suit in federal or state court.

- C. Unless otherwise agreed to in writing by the Parties, venue and jurisdiction for all legal proceedings of any kind or nature brought to enforce any provisions of this Order shall lie within the state from which the Order was issued.
- D. Pending any prosecution, appeal, or final decision referred to in this clause, or the settlement of any dispute arising under this Order, Seller shall proceed diligently, as directed by Buyer, with performance of the Order.
- E. **TO THE MAXIMUM EXTENT PERMITTED BY LAW, SELLER HEREBY WAIVES ITS RIGHT TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, COUNTERCLAIM OR CROSS-COMPLAINT IN ANY ACTION, PROCEEDING OR HEARING BROUGHT BY EITHER SELLER AGAINST BUYER OR BUYER AGAINST SELLER ON ANY MATTER WHATSOEVER ARISING UNDER, RELATING TO, OR IN ANY WAY CONNECTED WITH THIS ORDER, THE RELATIONSHIP OF SELLER AND BUYER OR ANY CLAIM OF INJURY OR DAMAGE, OR THE ENFORCEMENT OF ANY REMEDY UNDER ANY LAW, STATUTE OR REGULATION NOW OR HEREAFTER IN EFFECT.**

17. PROPRIETARY INFORMATION

- A. Seller agrees to keep confidential and not to disclose to any other person any Proprietary Information received from Buyer in connection with this Order. Seller further agrees to use Proprietary Information only for purposes necessary for performing this Order, without first obtaining Buyer's written authorization.
- B. Seller may disclose Proprietary Information to its subcontractors as required for the performance of this Order, provided that each such subcontractor first assumes by written agreement the same obligations imposed on Seller under this Order relating to such Proprietary Information.
- C. All documents and other tangible media (excluding Products) containing or conveying Proprietary Information and transferred in connection with this Order, together with any copies thereof, are and remain the property of the Buyer.
- D. Neither the existence of this Order nor the disclosure of Proprietary Information or any other information shall be construed as granting expressly by implication, by estoppel or otherwise, a license under any invention or patent now or hereafter owned or controlled by the Buyer or Buyer's customer, except as specifically set forth herein.
- E. Seller's obligations with respect to Proprietary Information disclosed hereunder prior to the performance in full, termination or cancellation of this Order shall not, except as expressly set forth herein, be affected by such performance in full, termination, or cancellation.

18. BUYER'S PROPERTY

- A. Buyer shall retain title to all Buyer property furnished to Seller (i.e., dies, molds, jigs, tools, materials, etc.). Seller shall label, maintain and dispose of Buyer's property, including scrap, according to Buyer's direction and Seller shall be responsible for all loss or damage.
- B. During the entire contract period, Seller shall, at its sole cost and expense, maintain a policy or policies of insurance covering the loss or destruction of or damage to all Buyer materials, tools and equipment, special or otherwise, in which Buyer has an interest, in the amount of the full replacement value thereof providing protection against all perils normally covered in an "all-risk" policy, including but not limited to, fire, windstorm, explosion, riot, civil commotion, aircraft, earthquake, flood or other acts of nature during such time as they remain in Seller's possession.

19. INDEMNITY & INSURANCE

- A. During the entire contract period and irrespective of the place of performance, Seller and its subcontractors shall, at their sole cost and expense, procure and maintain the following insurance coverage in the minimum limits indicated:
 - 1. Commercial General Liability - \$1,000,000 per person/\$2,000,000 per occurrence bodily injury and/or property damage (alternative: \$2,000,000 combined single limit (CSL)). Coverages shall include but not necessarily be limited to, premises and operations, products and completed operations and contracts.
- B. Whenever performance requires work on Buyer's customer, or Buyer's installation, Seller and its subcontractors shall, at their sole cost and expense, procure and maintain the additional following insurance coverage in the minimum limits indicated:
 - 1. Automobile Liability - \$1,000,000 per person/\$2,000,000 per occurrence bodily injury and/or property damage (alternative: \$2,000,000 combined single limit {CSL} covering all owned, hired and non-owned vehicles.
 - 2. Workers' Compensation and Employer's Liability - The workers' compensation insurance coverage shall be as required by the laws of the state in which the work is performed regarding such insurance. The employer's liability insurance limit shall be \$1,000,000.
- C. All insurance required as a part of this Order shall be placed with insurance companies which are authorized to do business under the laws of the state or states in which the installation is located and shall be in a form reasonably acceptable to Buyer. All insurance shall contain a provision prohibiting cancellation or material revision except upon at least thirty (30) days prior written notice to Buyer.
- D. Upon request, Seller shall provide evidence that the required insurance is in place in the form of insurance certificates. Insurance coverage, except for workers' compensation, shall provide that Buyer is named as an additional insured with waiver of subrogation for each required insurance coverage. Insurance coverage described herein must be in place and effective prior to commencement of any activity that is the subject of this Order. Renewal insurance certificates, if applicable, shall be provided to Buyer at least fifteen (15) days prior to the expiration date of the insurance under each required coverage.
- E. Buyer and Seller agree to defend, hold harmless, and indemnify the other from all damages and liabilities arising out of or in connection with presence on the other's premises pursuant to this Order; provided, however, that such damage and liability shall not have been caused by the negligence of the agents, subcontractors or employees of the indemnified parties.

20. RESPONSIBILITY FOR CLAIMS/INDEMNITY

Seller shall, at its own expense, defend, hold harmless, and indemnify Buyer from any claims or suits brought and liabilities and losses sustained by any third party for injury to persons or damage to property, arising in whole or in part out of the acts or omissions of Seller, its subcontractors, agents, or employees in the performance of this Order or failure to perform the Services in accordance with the standards provided in the Warranty clause. If Seller fails to defend, hold harmless, and indemnify Buyer as provided in this clause, then Seller shall pay for any damages, attorney's fees, and any other fees, costs, and expenses that may be incurred by Buyer in the defense of any action related to this Order and/or in the prosecution of any action to enforce the provisions of this clause.

21. ASSIGNMENT

- A. Seller shall not assign any of its rights under this Order without Buyer's prior, written consent, except as specifically stated in this clause. Seller may assign to a bank, trust company, or other financing institution including any Federal lending agency, claims for money due or to become due to Seller from Buyer under this Order, provided:
 - 1. The assignment is limited to one party, covers all amounts payable under the Order and not already paid, is not subject to further assignment, and is made specifically subject to reduction and setoff or recoupment for any present or future claim or claims or indebtedness which Buyer may have against Seller;
 - 2. Seller furnishes to Buyer written notice of assignment and a true copy of the instrument of assignment.
- B. Buyer may make direct settlements or adjustments in price, or both, with Seller under the terms of this Order notwithstanding any assignment of claims for money due or to become due under this Order and without notice to the assignee.
- C. Seller shall not furnish or disclose to any assignee under this Order or any other person not entitled to receive the same, any classified document (including this Order) until and unless authorized to do so by Buyer's authorized representative.

22. SUBCONTRACTING

- A. Seller shall not subcontract the Services, or for the design or procurement of the whole or any major component of any Product ordered hereunder, without the prior written authorization of Buyer, and Seller shall require a like agreement from immediate and lower-tier suppliers. This is not a restriction on authorized distributors, dealers, jobbers or industrial suppliers.
- B. Any subcontract awarded to a foreign person, as defined in the International Traffic in Arms Regulations or the Export Administration Regulations, must comply with the Export and Import Compliance clause herein.

23. COMPLIANCE WITH LAWS

- A. Seller warrants that it shall comply with all applicable Federal, State and local laws, rulings, and regulations in effect on the date of this Order.
- B. Seller warrants that any Products called for by this Order have been or will be produced in compliance with the Fair Labor Standards Act of 1938 (29 U.S. Code 201-219) and any amendments thereto, including without limitation all applicable requirements of Sections 6, 7 and 12 thereof, and all of the regulations and orders of the U.S. Department of Labor issued under Section 14 thereof, and, insofar as applicable to this Order, the Walsh-Healey Public Contracts Act (41 U.S. Code 35-45) and any amendments thereto, as well as with the provisions of any other Federal Laws with respect to labor relations, minimum wages and hours of employment, now in effect or hereafter enacted, including the Work Hours and Safety Act of 1962 (40 U.S. Code 327 et seq.), and with any and all rules and regulations issued under each and every such Law. Seller agrees that this warranty may be considered as the written assurance and certificate contemplated by the amendment dated October 26, 1949, to the Fair Labor Standards Act of 1938.
- C. The Seller shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.

24. CHOICE OF LAW.

Both Parties agree that, irrespective of the place of performance of this Order, this Order will be construed and interpreted according to the law of the state from which this Order is issued, as identified in the Order, excepting that state's laws on conflict of law.

25. RIGHTS IN COPYRIGHTS

The Parties expressly agree that all original works of authorship fixed in any tangible form, including software improvements, enhancements, derivative works and mask works, whether specially ordered or commissioned, made by Seller alone or jointly with others in connection with this Order ("Works") shall become and remain the property of Buyer. These Works shall be considered "a work made for hire" and Seller shall assign and hereby assigns all its right, title, and interest in the Works to Buyer. Seller agrees to require its personnel or others hereinafter associated with or used by Seller in the performance of this Order to execute all necessary documents to transfer and assign all right, title and interest in said Works to Buyer.

24. RELEASE OF INFORMATION AND ADVERTISING

Seller shall not, without prior written consent of Buyer, make any disclosure, news release or public announcement, denial or confirmation of same, of any part of the subject matter of this Order or in any manner advertise or publish the fact that Seller has supplied or contracted to supply to Buyer the items mentioned herein except as may be required to perform this Order. Disclosure to authorized Government sources is exempt from this restriction unless otherwise indicated herein.

25. PATENT, TRADEMARK, AND COPYRIGHT INDEMNITY

Seller shall defend, hold harmless, and indemnify Buyer, Buyer's officers, agents, employees, and customers against all claims and liabilities, including costs, for infringement of any United States patent, trademark, or copyright by any Services performed or Products delivered under this Order or, at Seller's option and expense, Seller shall obtain such licenses as are necessary to remove such infringement, provided that Seller is reasonably notified of such claims and liabilities. Seller's obligation shall not apply to Services performed or Products manufactured by Seller pursuant to detailed designs developed by Buyer and furnished to Seller under an Order which does not require research, development, or design work by Seller. Seller's obligation shall also not apply to any infringement arising from the use or sale by Buyer of Products in combination with Products not delivered by Seller if such infringement would not have occurred from the use or sale of such Products solely for the purpose for which they were designed or sold to Buyer. Seller's obligation shall extend to the U.S. Government only if and to the extent Buyer has agreed to indemnify the U.S. Government.

27. CONFLICT OF INTEREST

Seller warrants that no conflict of interest exists between the Services and Products to be provided under this Order and Seller's other activities. Seller shall immediately advise Buyer of any such conflict of interest or potential conflict of interest which arises during performance of this Order.

28. LABOR DISPUTES

Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay timely performance of this Order, Seller shall immediately give notice to Buyer including all relevant information. Seller agrees to insert the substance of this clause, including this sentence, in any lower-tier subcontract where a labor dispute might delay timely performance of this Order.

29. BONDS

If any bond is specifically required by the terms of this Order, the provisions of this clause shall apply.

Prior to commencing Services hereunder, or within such time as Buyer may allow in writing, Seller shall deliver to Buyer performance and payment bonds executed by a corporate surety acceptable to Buyer, in amounts not less than the Order total price, on the bond forms furnished by Buyer and in accordance with the instructions on said forms. Failure to deliver acceptable bonds within the time allowed shall constitute a material breach of this Order and entitle Buyer to (1) cancel Seller's right to proceed with the Order, and (2) recover from Seller any damages resulting from such breach. If any surety on such bonds becomes unacceptable to Buyer or if the Order price is substantially increased after such bonds are delivered, Seller shall promptly deliver additional bond security as Buyer may require.

30. EXPORT AND IMPORT COMPLIANCE

In addition to and without limiting the clause "Proprietary Information" clause herein, Seller shall comply with the laws and regulations of the United States relating to exports and foreign transactions, including, but not limited to, the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR). In particular, Seller shall not disclose any technical data, nor deliver or export any Product manufactured by use of technical data, out of the United States, or to foreign entities within the United States, without proper written authorization from the United States Government.

31. NONWAIVER

A party's failure at any time to enforce any provision of any Order shall not constitute a waiver of the provision or prejudice a party's right to enforce that provision at any subsequent time.

32. PARTIAL INVALIDITY

If any provision of this Order is or becomes void or unenforceable by force or operation of law, all other provisions shall remain valid and enforceable.

33. PRICE WARRANTY

Seller warrants that the price does not exceed the price charged by Seller to any other customer purchasing the same or similar Services under similar conditions. Seller agrees to reimburse Buyer promptly upon the discovery of a violation of that principle in the amount of the difference between the lower price charged and that charged Buyer.

34. RELIANCE

Seller represents and warrants that Seller is an expert fully competent in all phases of the work involved performing Services and in producing and supporting any Products purchased under this Order, and Seller agrees that Buyer is relying on such representation and warranty by Seller. Seller agrees that it will not deny any responsibility or obligation to Buyer on the ground that Buyer approved any documentation prepared by Seller, or participated in design reviews or first article approval processes or similar reviews, or that Buyer or Buyer's customer provided documentation, specifications, recommendations, or assistance in any phase of the work required to produce or support the Services and any Products. Seller acknowledges that, as a part of Seller's proposal effort, it had an opportunity to review relevant documentation. Seller further warrants that it did

such a review, that it notified Buyer in writing of any missing documentation, deficiencies or concerns that Seller identified in any documents, and that the issues raised by Seller were adequately addressed in this Order at the time of acceptance.

35. SELLER'S DATA

Any Data, which Seller discloses to Buyer while performing this Order, that Seller has not marked with a limited rights legend in accordance with the applicable rights in technical data and computer software clauses/provisions called out herein shall not be considered proprietary to Seller or in any way restrict Buyer's use of such Data.

36. COMPLETE AGREEMENT

This Order is intended by the Parties as a final expression of their agreement and is the complete and exclusive statement of all terms and conditions of agreement. This Order supersedes and cancels all prior understandings, proposals, communications, and agreements between the Parties, whether written or oral, concerning the matters addressed in this Order. No course of prior dealings between the Parties, and no usage of trade, shall be relevant to supplement or explain any term used in this Order.

37. SET-OFFS

Any amounts owing to Buyer by Seller may be set off against amounts otherwise due to Seller under this or any other Buyer Order.

38. ENVIRONMENTAL REQUIREMENTS

Seller shall comply with all applicable Federal, State and local laws, regulations, and ordinances relating to preservation and protection of the environment including, without limitation, those relating to "Clean Air," "Clean Water," and the transportation, use, handling, storage, disposal, recycling of hazardous and toxic chemicals, substances, or wastes.

39. HEADINGS

The descriptive headings contained in this Order are for convenience of reference only and in no way define, limit or describe the scope or intent of this Order.