11. ASSIGNMENT OF SUBCONTRACTORS
This order may not be assigned or subcontracted in whole or in part nor may any assignment of any money due or to become due hereunder be made by Seller without in each case, the prior written consent of Buyer.

12. EXTRA CHARGES-PACKAGING AND SHIPPING
No extra charges, except for the amount of the actual transportation cost, will be allowed unless specifically agreed to by Buyer in writing. All items must be suitably packaged and prepared for shipment to prevent damage and Seller will comply with carrier regulations. Buyer’s cost or weight shall be conclusive and final on shipments not accompanied by packing lists. Buyer is provided with detailed transportation and routing instructions through the purchase order. Buyer may require Seller to ship atSadLsers plant. This includes transportation charges on the invoice and addition of prepaid freight bill. All invoices, purchase orders, bills of lading, etc. must contain purchase order number.

13. REPRODUCTION
Seller shall acquire no rights in the specifications, drawings, designs, equipment, tooling, or data furnished by Buyer in connection with the performance of this order and shall not reproduce any articles therefrom or disclose or use any information therein prior to written consent of Buyer.

14. PRICES, TAXES, AND NEW MATERIAL
If Seller fails to offer at the regular market price for any goods sold under this contract or the covered hereunder, is lower than the price stated in this purchase order on the date of issuance of the purchase order, Seller agrees to buy Buyer the better or less price on such article. Seller warrants that none of the items furnished under this order are surplus, used, remanufactured or reconditioned of such age or so deteriorated as to impair the usefulness or safety thereof, unless otherwise specifically stated on the face of this order. Unless otherwise provided on the face of this order, THE PRICES APPEARING HEREIN INCLUDE ALL PACKING, DOCUMENTATION, TRANSPORTATION, AND FEDERAL AND STATE AND LOCAL TAXES, IF APPLICABLE, AND ARE FIRM FOR THE DELIVERY PERIOD.

15. PAYMENT TERMS
Payment terms and each discount period will be computed from either the date of delivery or acceptance of the items ordered or the date of correct and proper invoices prepared in accordance with the terms of the order, whichever is later. Payment shall be made on a day-to-day basis for any item that is delivered later than called for by the schedule on the face of this order.

16. ADVERTISING
Seller agrees, in any manner, advertising or publish that Seller has furnished or contracted to furnish Buyer the items mentioned herein without specific prior written consent from Buyer.

17. INVENTION
Any invention resulting from or arising out of performance by Seller or Seller’s employees under this purchase order, which performance has been funded by Buyer, shall be the property of Buyer.

18. SETOFF
Buyer may setoff any amount due from Seller to Buyer, whether or not under this order, from any amounts due to Seller under this order.

19. COMPLIANCE WITH LAWS
Seller shall comply with all applicable federal, state and local laws, Executive Orders, rules and regulations during performance of this order, including but not limited to, the Occupational Safety and Health Act of 1970 as amended; “OSHA’s” Toxic Substances Control Act as amended (“TSCA”); the Fair Labor Standards Act of 1938 as amended (“FLSA”); Clean Air Act as amended; the International Traffic in Arms Regulations (“ITAR”) as amended; and the Anti-Kickback Statute as amended.

20. INSURANCE
Buyer will maintain and carry liability insurance which includes but is not limited to commercial general liability (including products and contracts liability) insurance in the amount of not less than $5 million. Further, Seller will maintain and carry insurance in an amount not less than $5 million, which must include, but not be limited to, reimbursement of any costs associated with any recall, return or retrieval of parts sold under this order which are not in compliance with the Act.

21. INDEMNIFICATION
Seller shall be liable for all claims, demands, losses, costs, and damages resulting from any negligence or willful misconduct of Seller or its employees or contractors arising from the performance of this order. Seller shall indemnify, defend and hold Buyer and its customers harmless for any loss, damage or liability which may be incurred on account of property damage, death and personal injury of whatsoever nature or kind arising out of, as a result of, or in connection with the performance of this order that is occasioned by the actions or omissions of Seller or its subcontractors or suppliers of any tier.

22. PERFORMANCE OF INDIVIDUALS
Upon delivery by Buyer at any time that the performance of Seller, or any of Seller’s employees assigned to the work hereunder, does not meet Buyer’s required standards, and upon notification to Seller of such determination, the failure of Seller to take appropriate corrective action may be considered grounds for termination or cancellation of this Order by Buyer.

23. DISPUTE RESOLUTION
Any claim, dispute or difference arising out of or relating to this Agreement or the transactions contemplated by this Agreement, or the breach, termination, enforcement, interpretation or validity of this Agreement, including the determination of the existence of a breach of this Agreement, shall be determined by arbitration conducted in the state of California before a sole arbitrator. The arbitration shall be administered by the American Arbitration Association (“AAA”) pursuant to its commercial rules and, if applicable, its supplementary procedures for large complex disputes.

24. CHOICE OF LAW
This Agreement shall in all respects be interpreted, governed and by in accordance with the laws of the State of California. The submission of this conflict of laws provision which may require the application of the laws of another jurisdiction.

25. NON-WAIVER
Buyer’s assent to any failure to assert in time any provision of this order, or failure of Seller to perform any provision of this order, shall be effective as a waiver thereof unless warranted in Buyer in writing; nor shall any such waiver constitute an advance waiver of any other provision or failure to perform.

26. HEADINGS
Headings and captions set forth in this order are for convenience of reference only and are not intended to, nor do they, alter the meaning of the provisions hereunder.

28. ADDITIONAL TERMS AND CONDITIONS
Additional purchase order terms and conditions: applicable under Government Contracts

Rev: 08/01/03