

**PART I - GENERAL CONDITIONS**

1. **GENERAL/ACCEPTANCE** - The purchase order (which term shall be deemed to include plans, specifications, regulations and other documents to the extent that any of the same are incorporated by reference) becomes the exclusive agreement between the parties for the supplies/services subject to the terms and conditions herein. Any of the following shall constitute Seller's unqualified acceptance of this purchase order: (a) acknowledgment of this purchase order; (b) furnishing of any part of the supplies/services under this purchase order; (c) acceptance of any payment for the supplies/services or (d) commencement of performance under this purchase order. Any additional or different terms proposed by the Seller are objected to and are hereby rejected unless the same shall be accepted in writing by the Buyer. Failure of any party to enforce its rights under this purchase order shall not constitute a waiver of such rights or of any other rights under this purchase order or otherwise.

2. **ASSIGNMENT** - Neither this purchase order nor any payments hereunder are assignable or transferable without the Buyer's written approval, which approval will not be unreasonably withheld. Buyer shall be entitled to the right of set-off against any amounts payable under this Purchase Order.

3. **CHANGES** - Buyer's Purchasing Representative may at any time, by written order, without notice to any surety, make changes or additions within the general scope of this purchase order in any one or more of the following: (a) drawings, designs, statement of work or specifications; (b) method of shipment or packing; (c) place of inspection, delivery, or acceptance; (d) quantities, where reasonable; (e) delivery schedules, where reasonable, and (f) the amount of Buyer/Government furnished property.

If any such change causes an increase or decrease in the cost of, or the time required for, performance of this purchase order, whether changed or not changed by any such written order, Seller shall notify Buyer in writing immediately and an appropriate equitable adjustment will be made in the price or time of performance, or both, by written modification of this purchase order. Any claim by Seller for such adjustment must be asserted within 15 days, or such other period as may be agreed on in writing by the parties, after Seller's receipt of notice of the change. Nothing contained in this paragraph shall excuse Seller from proceeding with the contract as changed.

4. **CHOICE OF LAW** - Irrespective of the place of performance, this purchase order will be construed and interpreted according to the federal common law of Government contracts as enunciated and applied to federal judicial bodies and boards of contract appeals of the federal Government. To the extent that the federal common law of Government contracts is not dispositive, the laws of the state from which the Buyer's purchase order is issued shall apply.

5. **COMPLIANCE WITH LAWS AND REGULATIONS** - (a) Seller shall comply with any applicable laws, executive orders, or regulations. (b) Seller agrees to indemnify Buyer against any loss, cost, liability, or damage by reason of Seller's violation of any applicable law, executive order or regulation. (c) If a Government Contract Number is indicated, Seller agrees that performance under this purchase order is subject to applicable regulations and directives of the United States Government.

6. **DEFAULT OF SELLER** - The provisions of FAR 52.249-8 as in effect on the date of this order are incorporated in this paragraph by reference as follows: Subparagraphs (a), (b), (e), and (f), except for the third sentence thereof, (g) and (h). Where necessary to make this FAR part applicable to this purchase order, "Contractor" shall mean "Seller", "Contracting Officer" shall mean "Buyer" and "Government" shall mean "Buyer" or the "Government". If bankruptcy, insolvency, dissolution, receivership or equivalent proceedings be instituted by or against Seller, upon Seller's making any assignment for the benefit of creditors or entering into any such arrangement or upon Seller's becoming insolvent, Buyer shall have the right to terminate this purchase order in accordance with FAR 52.249-8.

7. **DEFECTIVE WORK** - Buyer, notwithstanding any prior acceptance, at its option, may reject, or require prompt correction (in place or elsewhere), of any supplies which are defective in material or workmanship or otherwise fail to meet the requirements of this purchase order. All supplies furnished under this purchase order shall be subject to inspection at destination notwithstanding any previous source inspection and Seller shall be given notice of any defects, other than latent defects, within a reasonable time after receipt of the supplies and all records (such as affidavits, test reports, drawings, etc.) required to be furnished therewith. Buyer may, in addition to any rights it may have by law, prepare for shipment and ship the supplies to Seller, require Seller to remove them, direct their correction in place or, with authorization by Seller, correct them, and the expense of any such action, including transportation both ways, if any, shall be borne by Seller. If Seller fails promptly to remove such supplies and to proceed promptly to replace or correct them, Buyer may replace or correct such supplies at the expense of Seller, including any excess cost. Seller shall not again tender rejected or corrected supplies unless Seller discloses the former tender and rejection or requirement of correction.

8. **DELIVERY** - Time is of the essence of this purchase order. Unless otherwise provided in this purchase order, delivery in whole or in part shall not be made more than 10 days prior to required delivery dates. Buyer may return earlier deliveries at Seller's risk and expense. Seller shall comply with the delivery schedule but shall not make material or production commitments in advance of such time as the Seller reasonably believes necessary to meet the schedule without prior written approval by Buyer. Representatives of Buyer, the Government, or both shall at all reasonable times have access to Seller's plant for the purpose of assuring delivery in accordance with the schedule.

9. **DISPUTES** - Any dispute arising under this purchase order which is not settled by agreement of the parties will be litigated in the state or federal courts of the state from which the buyer's purchase order is issued. Pending any decision, appeal or judgment in such proceedings, or the settlement of any dispute arising under this purchase order, Seller shall proceed diligently with the performance of this purchase order in accordance with the decision of the Buyer.

10. **EQUAL OPPORTUNITY** - The information set forth in FAR clause 52.222-26 and in FAR Section 22.810 as applicable, as in effect on the date of this purchase order are incorporated herein by reference unless this purchase order is exempt under regulation issued by the Secretary of Labor. Where necessary to make the FAR applicable to this purchase order, the word "Contractor" shall mean "Subcontractor."

11. **FEDERAL, STATE, AND LOCAL TAXES** - Except as may be otherwise provided in this purchase order, the price includes all applicable Federal, State and Local, taxes and duties.

12. **GOVERNMENT OR BUYER FURNISHED PROPERTY** - If, in connection with the performance of this purchase order, any property is furnished to Seller by Buyer or by the Government, Seller shall assume the risk of, and be responsible for, any loss, destruction of or damage to the property while in Seller's possession or control except to the extent that this purchase order, with the prior approval of the Buyer and/or Government, provides for the relief of Seller from such liability. In the absence of such approval, Seller shall return all such property in as good a condition as when received except for reasonable wear and tear for the utilization of such property in accordance with the provisions of the prime contract. Seller shall establish and maintain a system in accordance with the provisions of FAR Subpart 45.5 for the control of Government or Buyer-owned property. Seller shall also notify Buyer if approval of its property system has been withdrawn by the Government.

13. **INDEMNITY** - (a) If Seller, in connection with the performance of this purchase order, shall send any of its agents or employees onto premises owned or controlled by Buyer, Seller shall provide safety protection for persons and property in accordance with all applicable laws and regulations and indemnify and save harmless

Buyer from and against any and all liabilities and losses whatsoever, whether resulting from or contributed to by negligence of buyer, including without limitation, costs and expenses in connection therewith, on account of, or by reason of, injury to, or death of, any person whomsoever, or loss of or damage to any property whatsoever, suffered or sustained in the course of, or in connection with, the performance of the work. Buyer, at its option, may require Seller to furnish evidence of insurance reasonably satisfactory to Buyer covering the liabilities and indemnification provided above but no acceptance of such evidence by Buyer shall be deemed a waiver or release of such liabilities or duty to indemnify.

(b) Seller shall comply with the provisions of FAR 52.215-10, 52.215-11, 52.215-12, and 52.215-13 which are incorporated herein by reference (Paragraph 34) to the extent such clauses are or become applicable to this purchase order. Seller shall indemnify and hold harmless the Buyer from any amount, loss and expense, including interest assessed by the Government under 10 USC 2306a, by which this purchase order is determined by the Government to have been defectively priced because of Seller's or Seller's subcontractor's failure to comply with such provisions. The rights of the parties hereunder shall survive completion or termination of this purchase order.

**14. INSPECTION** - Buyer and its customer may inspect and test material, work in progress and supplies at all times and places, during manufacture and otherwise. If inspection and test are made on Seller's premises, Seller, without additional charge, shall provide reasonable facilities and assistance for the safety and convenience of the inspectors in performing their duties. Inspections and tests by Buyer shall be performed in such manner as not to delay the work unduly. Buyer may charge to Seller any additional cost of inspection and test when material, work or supplies are not ready at the time such inspection and test is requested by Seller. In case of rejection, neither Buyer, nor its customer, shall be liable for any reduction in value of samples used in connection with such inspection or test. Except as otherwise agreed in writing, all shipments and supplies furnished under this purchase order shall be subject to final inspection and acceptance by Buyer after receipt by Buyer at destination notwithstanding any previous source inspection or acceptance. Seller shall maintain an inspection and quality control system acceptable to Buyer and its customer.

**15. INTELLECTUAL PROPERTY INDEMNITY** - Seller shall indemnify Buyer, Buyer's customer and/or the Government and their respective officers, agents and employees against liability, including costs, for infringement of any patent, copyright, trademark, or other intellectual property arising out of the manufacture or delivery of supplies or performance of services under this purchase order or out of the use or disposal by, or for the account of, Buyer, Buyer's customer and/or the Government of such supplies. The foregoing indemnity shall not apply unless Seller shall have been informed as soon as practicable by Buyer, Buyer's customer and/or the Government of the suit or action alleging such infringement and shall have been given such opportunity as is afforded by applicable laws, rules or regulations to participate in the defense thereof. Such indemnity shall not apply if: (a) the infringement results from compliance with specific written instructions of Buyer directing a change in the supplies or services to be delivered or in the materials or equipment to be used, or directing a manner of performance of this purchase order not normally used by Seller, or (b) the infringement results from an addition to, or change in, the supplies or services furnished made subsequent to delivery or performance by Seller, or (c) the claimed infringement is settled without the consent of Seller, unless required by final decree of a court of competent jurisdiction.

**16. INVOICE AND PAYMENT** - A separate invoice shall be issued for each shipment. Unless otherwise specified in this purchase order, no invoice shall be issued prior to shipment of goods and no payment will be made prior to receipt of goods and a correct invoice. Payment due dates, including discount periods, will be

computed from the date of receipt of goods or the date of receipt of a correct invoice (whichever is later) to date Buyer's check is issued. Unless freight and other charges are itemized, any discount taken will be taken on full amount of invoice. All costs included in the invoice must be computed in accordance with the latest revision of Section 31 of FAR and allowable in accordance with the principles therein. No payment shall be made for costs included in the invoice that are unallowable by Section 31.

**17. LIENS** - Seller warrants that it has title to the goods to be delivered under this purchase order and shall deliver same free of all liens, claims and encumbrances.

**18. MILITARY SECURITY REQUIREMENTS** - (a) Seller shall be responsible for safeguarding all classified information in accordance with the provisions of the Seller's Security Agreement with the Department of Defense and with all applicable Government requirements including, without limitation, of FAR 52.204-2 which is incorporated herein by reference. (b) Seller agrees to insert in all subcontracts under this purchase order which involve access to classified information, provisions which shall conform substantially to the language of Subparagraph (a) above and to this Subparagraph (b).

**19. NEWS OR ADVERTISING RELEASE** - No news release in any way relating to Buyer or Seller concerning the purchase order shall be made by either party to any news media or the general public without prior approval of the other party. The parties agree that in the event a news release is so approved and made, such news release will recognize the Buyer and Seller.

**20. NOTICE TO THE BUYER OF POTENTIAL DELAYS** - (a) Whenever Seller has knowledge that any occurrence is delaying or threatens to delay the timely performance of this purchase order, Seller shall immediately give notice thereof, including all relevant information with respect thereto, to the Buyer. Such occurrences shall include (1) actual or potential labor disputes; (2) fires, floods, unusually severe weather, (3) acts of Nature, (4) acts of the Government in either its sovereign or contractual capacity and any other cause for delay. (b) Seller agrees to insert this clause including this subparagraph (b) in any purchase order or subcontract hereunder.

**21. ORDER OF PRECEDENCE** - The various documents constituting this purchase order shall, insofar as is possible, be so interpreted as to be consistent with one another. In the event that a conflict or ambiguity arises in the interpretation of this purchase order, said conflict or ambiguity shall be resolved in accordance with the following order of precedence, with the first listed item having a higher precedence than latter listed items: (a) Typed Purchase Order form, (b) Statement of Work, (c) General Conditions of WEI form 52.1, (d) FAR/DFARS of WEI form 52.2, (f) Representations and Certifications Incorporated by Form 52.1 (Forms other than 52.1), (g) Specification, (h) Drawing(s),

**22. PROPERTY RIGHTS** - Any invention, discovery, proprietary information, maskwork, software, system, data or report resulting from the work performed under this Purchase Order shall be the sole property of the Buyer. All patents, copyright, trade secrets, trademarks, maskworks or other intellectual property resulting from work under this Purchase Order shall be the sole property of the Buyer. Seller agrees to assign to Buyer any patent or patent application resulting from work performed under this Purchase Order, and to provide reasonable support for the Buyer's prosecution of such patent application. The parties agree that any original work of authorship created under this Purchase Order is a work made for hire for purposes of copyright ownership. To whatever extent the Seller has any interest in any original work of authorship created under this Purchase Order, Seller agrees to assign and hereby assigns its entire interest in such work to Buyer, including all rights to derivative works.

This Purchase Order does not confer or grant, in any manner whatsoever, any license or right under any patent, trademark, trade secret, maskwork, copyright or other intellectual property right held by Buyer, unless specifically set forth in the body of the Purchase Order.

**23. PROTECTION OF INFORMATION** – Trade secrets and proprietary information of Buyer (hereinafter collectively referred to as "Information") shall mean information disclosed to Seller by Buyer in connection with this Purchase Order which is either identified to Seller as being proprietary to Buyer or which is information that a reasonable person would understand to be such Information. Examples of Information include, but are not limited to, customer lists, pricing policies, market analyses, business plans or programs, software, specifications, manuals, print-outs, notes and annotations, performance data, drawings, photographs, and engineering, manufacturing or technical information related to Buyer's products and services, as well as duplicates or copies thereof. Information shall not mean any information previously known to Seller without obligation of confidence, or which becomes publicly disclosed, or which is rightfully received by Seller from a third party without obligation of confidence.

Information furnished to Seller shall remain Buyer's proprietary property, shall be duplicated only as authorized in writing by Buyer, and shall be returned to Buyer upon request or when no longer required for the performance of this purchase order. Seller shall not disclose Information to any third party, and shall take all reasonable precautions to prevent the disclosure of Information to third parties, including any foreign national, firm, or country, and foreign nationals employed by or associated with Seller's company except as specifically authorized by the Buyer.

Data and information provided by Seller shall be considered proprietary only when marked as proprietary. Seller's proprietary data and information will be used by Buyer only upon approval of Seller. Buyer may use unmarked Seller's data and information for any purpose.

Seller agrees not to use Information to develop any product, service or system, or to support any third party in the development of any product, service or system, or to support any third party in the development of any product, service or system. In recognition of the inherent difficulty of differentiating the use of trade secret information from the independent development of similar information by one who has access to the trade secret information, and for the convenience of both parties in avoiding disputes, Seller further agrees, for a period of three years from the completion or termination of this Purchase Order, to refrain from providing any product, service or system of the same nature as that contemplated under this Purchase Order to any competitor of Buyer.

This clause is not intended to conflict with Federal Acquisition Regulation 52.203-6 entitled "Restriction on Subcontractor Sales to the Government."

**24. QUANTITY** - Buyer need not accept any variation in quantity except as specified in this purchase order. Overshipments may be returned to Seller at Seller's expense, which shall include a reasonable cost for the Buyer's handling, or be retained by Buyer at no increase in price. To the extent that supplies covered by this purchase order are produced in accordance with drawings or specifications which are proprietary to Buyer or to Buyer's customer, Seller shall not manufacture or retain for the purpose of display, or otherwise, any more such supplies, or parts thereof, than are required to be delivered under this purchase order. Any such excess supplies, or parts therefore, shall be delivered free of charge to Buyer at the designated delivery point at Seller's risk and expense or destroyed and the destruction certified by Seller.

**25. RESPONSIBILITY FOR SUPPLIES** - Except as specifically otherwise provided in this purchase order, Seller shall be responsible for supplies meeting the requirements of this purchase order until final inspection and acceptance thereof by Buyer and shall bear all risks as to rejected supplies or supplies requiring correction after notice of rejection notwithstanding any prior acceptance.

**26. SPECIAL TOOLING (ST), SPECIAL TEST EQUIPMENT (STE) AND FACILITIES (FAC)** - Unless specifically provided to the contrary in this purchase order, Seller warrants that the price set forth in this purchase order does not include; (a) any amount representing rent for the use of Government-owned (ST), (STE) or (FAC) or (b) as a direct charge to this purchase order, the cost of any (ST), (STE) or (FAC) as the same are defined in Part 45 of the Federal Acquisition Regulation (FAR). Any such (ST), (STE) or (FAC) to be charged to Buyer will be covered by a separate purchase order.

**27. SUBCONTRACTING** - Seller shall not subcontract all or substantially all work on any article to be supplied under this purchase order without prior written approval of Buyer. This provision shall not apply to purchases of standard commercial articles or raw materials including castings, forgings, and rough welded structures on which Seller will perform further work. The Seller further agrees that no subcontract placed under this purchase order shall provide for payment on a cost-plus-a-percentage-of-cost basis. The Seller further agrees to select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of this purchase order.

**28. SUBSTITUTIONS** - Seller shall not substitute materials or accessories without written consent of Buyer.

**29. TERMINATION** - Without limiting Buyer's right to cancel this order for default of Seller as provided below, Buyer may terminate all or any part of the work under this order and process Seller's claims therefore in accordance with the provisions of the Termination Clause set forth in Part 52.249-2 of the Federal Acquisition Regulation as in effect on the date of this order. Where necessary to make this FAR part applicable to this purchase order, "Contractor" shall mean "Seller", "Contracting Officer" shall mean "Buyer" and "Government" shall mean "Buyer" or the "Government". In paragraph (d) of 52.249-2, change "1 year" to "6 months or any extension thereto."

**30. TOXIC SUBSTANCES CONTROL ACT** - (Public Law 94-469 Oct 11, 1976) Seller warrants that each and every chemical substance delivered under this purchase order shall, at the time of sale, transfer, or delivery, be on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Agency pursuant to Section 8 of the Toxic Substances Control Act (Title 15 USC Paragraph 2601).

**31. WARRANTY** - Seller warrants that the supplies covered by this purchase order will conform to the design, specifications, drawings, samples or other descriptions referred to in this purchase order, will be free from defects in material and workmanship, and, to the extent that the Seller knows or has reason to know of the purpose for which the supplies are intended, will be fit and sufficient for such purpose. The warranties contained in this paragraph shall run to Buyer and its customers.

Seller warrants that supplies/services provided under this Purchase Order shall not infringe upon the rights of any third party, and that Seller is subject to no agreement which in any manner would interfere with Buyer's property rights as described in Paragraph 22 Property Rights above.

**32. YEAR 2000 COMPLIANCE** - If this order is for the procurement of technology that will be required to perform date/time processing, by acknowledging this order Supplier verifies that such supplies are Year 2000 compliant. Year 2000 compliant means information technology that accurately processes date/time data (including, but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations. Furthermore, Year 2000 compliant information technology, when used in combination with other information technology, shall accurately process date/time data if the other information technology properly exchanges date/time data with it.

**33. Advance Payments or Milestone Billings** - Notwithstanding the clause entitled "Responsibility For Supplies", in the event that Advance payments or Milestone Billings are applicable to this Purchase Order, title to all property under this Purchase Order shall vest in the Buyer. "Property" as used in this clause shall include all of the below described items acquired or produced by the Seller that are, or should be, allocable or properly chargeable to this Purchase Order under sound or generally accepted accounting principles or practices:

- a. Parts, materials, inventories, and work in process;
- b. Special Tooling and special test equipment to which the Buyer is to acquire title under this Purchase Order;
- c. Nondurable tools, jigs, dies, fixtures, molds, patterns, taps, gauges, test equipment, and similar other manufacturing aids, Buyer's title to which is not contemplated under paragraph b. above; and,
- d. Drawings and technical data to the extent that the Seller or subcontractor are required to deliver them to the Buyer under this Purchase Order.