

PRECISION TUBE BENDING, INC.
TERMS AND CONDITIONS OF SALE

1. **ACCEPTANCE AND MODIFICATION.** This document constitutes an offer or counteroffer (an "Offer") by Precision Tube Bending, Inc. ("Seller") to sell the products and/or services described herein (the "Products") to buyer ("Buyer"), subject to and in accordance with these terms and conditions and attachments to this document (the "Terms and Conditions"). Seller and Buyer are individually referred to herein as "Party" and collectively as the "Parties." This document is not an acceptance of any offer or counteroffer made or purchase order submitted by Buyer, and this Offer and any contract arising out of this Offer (collectively, the "Contract") are each expressly conditioned upon Buyer's assent to all of the Terms and Conditions. Buyer's assent to these Terms and Conditions shall be presumed from Buyer's receipt of Seller's acknowledgement, Buyer's notice to proceed, or Buyer's acceptance of all or any part of the Products ordered. Seller expressly rejects any additional or different terms or conditions contained in any request for quotation, request for proposal, purchase order, or other document or communication previously or hereafter provided by Buyer to Seller. No such additional or different terms or conditions will be of any force or effect, unless specifically agreed to in writing by an authorized representative of Seller. The Contract constitutes the entire understanding between the Parties with respect to the subject matter of the Contract and supersedes any prior discussions, negotiations, agreements and understandings. Modifications to the Contract can be made only by a writing signed by an authorized representative of Seller.

2. **CANCELLATION.** Neither the Contract nor any related order may be cancelled by Buyer except upon terms and conditions acceptable to Seller, as evidenced in writing by Seller's authorized representative. In the event a cancellation by Buyer has been approved by Seller, Buyer shall pay to Seller: (i) the agreed unit prices for completed Products (or components or units of components thereof) under the Contract or any related order; (ii) all other costs incurred by Seller prior to cancellation directly connected with work under the Contract or any related order; plus (iii) all other costs incurred by Seller associated with the cancellation of the Contract or any related order, including, without limitation, cancellation charges under subcontracts, charges for packing, removal to storage and/or restocking. Until Seller has received all of the foregoing cancellation charges, all cancelled Products shall remain the sole and exclusive property of Seller, regardless of the state of completion of such Products.

3. **TERMINATION FOR CONVENIENCE.** Notwithstanding the foregoing, if this Contract is issued in support of a U.S. Government prime contract or subcontract, if directed by the U.S. Government, Buyer may terminate this Contract for convenience, in whole or in part, by delivering to Seller a Notice of Termination specifying the work terminated

and the effective date of the termination. Upon receipt of a Notice of Termination, Seller shall immediately stop all work specified in the Notice and immediately direct all of its subcontractors or suppliers to stop work. Buyer shall pay Seller for the completed Products up to the effective date of the termination and a percentage of the Contract price reflecting the percentage of the work performed prior to the effective date of the termination but not yet completed, plus reasonable charges Seller can demonstrate to the satisfaction of Buyer using its standard record keeping system, have resulted from the termination. Seller shall not be required to comply with the Cost Accounting Standards or FAR contract cost principles for this purpose. This paragraph does not give Buyer or the Government any right to audit Seller's records.

4. **TERMINATION FOR DEFAULT.** Either Party may, by written notice of default to the other Party, terminate this Contract in whole or in part if the other Party materially breaches the Contract; provided the breaching Party does not cure the default within 10 business days after receipt of a notice from the terminating Party specifying the failure. Seller shall not be deemed to be in default or liable for any losses, damages, or excess costs if the delay or failure to perform the Contract arises from causes beyond the control and without the fault or negligence of Seller. Examples of such causes include, but are not limited to: acts of God or of the public enemy; acts of the Government in either its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes; freight embargoes; unusually severe weather; acts of Buyer; delays in transportation; equipment failure; inability to obtain necessary labor, equipment, materials or manufacturing facilities; or failure of usual sources of supply or usual modes of transportation. In the event of any such delay, the date of delivery shall be extended for a period equal to the time lost because of the delay. Notwithstanding the foregoing, if the Contract is issued in support of a U.S. Government prime contract or subcontract, the Buyer may terminate the Contract, in whole or in part, if Seller fails to: (a) deliver the products or perform the services within the time specified in the Contract or any extension; (b) make progress, so as to endanger performance of this Contract; or (c) perform any of the other material provisions of the Contract; provided that Seller does not cure such failure within 7 business days (or more if authorized by Buyer) after receipt of the notice from Buyer specifying the failure. If Buyer terminates for default the Contract, in whole or in part, Buyer may acquire, products or services identical to those terminated, and Seller will be liable to Buyer for any excess costs for those products or services. Buyer must pay Seller the Contract price for completed Products delivered to Buyer. In no event shall Seller's liability to Buyer under the Contract exceed the Contract price. If, after termination, it is determined that Seller was not in default, or that the default was excusable, the rights and

obligations of the Parties shall be the same as if Buyer materially breached the Contract.

5. **DELIVERY.** Unless otherwise provided in this document, all Products will be delivered F.O.B. Origin. Transportation shall be at Buyer's sole risk and expense, and any claim for loss or damage in transit shall be against the carrier only. In the event that scheduled delivery of Products is delayed by Buyer, Seller may store such Products for the account of and at the risk of Buyer. Seller reserves the right to make delivery in installments in order to fill an order. Delay in delivery of any installment shall not relieve Buyer of its obligations to accept remaining deliveries.

6. **ACCEPTANCE.** Buyer's acceptance of Products shall be presumed three business days after presentment without rejection at F.O.B. Origin. Acceptance shall be conclusive except for latent defects, fraud, gross mistakes amounting to fraud, or as otherwise provided in this Contract.

7. **RISK OF LOSS.** Risk of loss or damage and any further cost and responsibility for claims, delivery, and, if applicable, placement and storage shall pass from Seller to Buyer, and delivery shall be deemed to be complete, upon the earlier of: (i) Seller's delivery to a private or common carrier; or (ii) Seller's moving the Products into storage as otherwise required by the Buyer or permitted under this Contract. Notwithstanding the foregoing provision, the Products sold shall remain the sole and exclusive property of Seller and shall remain personal property until full and final payment has been made.

8. **SECURITY AGREEMENT AND INSURANCE.**

a. To secure payment of the price payable under the Contract and performance of all of Buyer's obligations under the Contract, Buyer hereby: (i) grants to Seller a purchase money security interest in all Products; and (ii) authorizes Seller to file such financing statements and other documents, and agrees to execute such other documents and to do such other acts, as Seller may reasonably deem necessary or advisable to protect its rights in such Products. In the event Buyer breaches the terms or conditions of the Contract, including, but not limited to, any past due balances, together with interest, costs, and attorney fees are permitted herein, Seller shall have all the rights and remedies of a secured creditor under the Uniform Commercial Code. Until Seller has received full payment of the price payable under the Contract, Buyer shall (i) maintain insurance covering all Products in such amounts and against such risks as is customary by companies engaged in the same or similar business and similarly located, naming Seller as insured or coinsured, and shall, upon Seller's request, furnish evidence of such insurance satisfactory to Seller, and (ii) upon request by Seller, do all things necessary or desirable to adequately insure the Products against loss or damage. Any property of Buyer placed in Seller's custody for performance of the Contract is not covered by Seller's insurance, and no risk is assumed by Seller in the event of loss or damage to such property by fire, water, burglary, theft, civil disorder or any event beyond Seller's control.

9. **PAYMENT.** Upon acceptance, Seller may issue an invoice to Buyer. All invoices shall be paid within thirty (30) days after Buyer's receipt of the invoice or acceptance of the Products, whichever occurs first. If Buyer fails to pay any invoice when due or if, in the judgment of Seller, the financial condition of Buyer at any time prior to shipment does not justify the extension of credit, then Seller may require payment in advance or otherwise modify the payment terms upon notice to Buyer. All delays occasioned by acts of Buyer shall be at the expense of Buyer. Seller reserves the right to assess reasonable charges for its expenses resulting from such delays. All shipments shall be separately invoiced and paid for without regard to subsequent deliveries. Interest at the rate of one and one-half percent (1 ½%) per month or at the highest rate allowed by law, whichever is less, shall be charged to all overdue accounts. Buyer will reimburse Seller for all costs and expenses (including attorneys' fees and the costs of bringing any action) incurred in collecting any amounts past due. Notwithstanding the foregoing, Buyer acknowledges and agrees that payments owed to Seller for Products supplied under this Contract are not subject to any setoff or recoupment by Buyer unless and until Seller agrees in writing to such setoff or recoupment, and that Buyer shall not exercise its right to setoff or recoupment in connection with any disputed, contingent, or unliquidated claim.

10. **PRICES.** Unless otherwise quoted, prices shall be those in effect at the time of shipment. Unless other terms are specified in the attachments to this document, all prices are quoted and payable in U.S. dollars. The prices quoted do not include any taxes imposed on the sale of the Products. Any manufacturer's tax, occupation tax, use tax, sales tax, excise tax, GST, value added tax, duty, custom, inspection or testing fee, or any other tax, fee, interest or charge of any nature whatsoever imposed by any governmental authority (whether domestic or foreign, or federal, state or local) on or measured by the transactions between Seller and Buyer (other than income taxes imposed on Seller) shall be added to the price of Products, invoiced separately, and paid by Buyer in addition to the prices quoted or invoiced. Buyer agrees to reimburse Seller for any such tax or provide Seller with acceptable tax exemption certificate.

11. **WARRANTY.**

Seller warrants for a period of one (1) year from the date of Seller's delivery of the Products F.O.B. Origin that: (i) the goods delivered hereunder meet such specifications as may have been expressly agreed to herein; and (ii) the goods shall be free from defects in material and workmanship. Seller warrants that all services furnished under this Contract shall be free from defects in workmanship for a period of one (1) year from the date of Buyer's acceptance of such services. Products corrected or replaced by Seller shall be subject to all of the provisions of this Paragraph 11 in the manner and to the extent as Products furnished under this Contract. Seller's warranty hereunder is extended to and shall be for the sole and exclusive benefit of Buyer and Buyer's customer. This warranty is not assignable or

otherwise transferable to any person or entity other than Buyer's customer.

Buyer must notify Seller in writing of an alleged defect within thirty (30) calendar days of discovering said defect. Seller shall be given a reasonable and prompt opportunity to examine any claim of defect by the Buyer. If after receipt of the notice of the defect Seller determines that the defect is solely attributable to the fault or negligence of Seller, Buyer agrees that its sole and exclusive remedy against Seller shall be limited to either repair or replacement of the Products or a refund of the purchase price, at Seller's sole option. This exclusive remedy shall not be deemed to have failed of its essential purpose so long as Seller is willing to repair or replace the defective Products. If Seller chooses to repair or replace the Products, Seller agrees as follows:

i. If Buyer notifies Seller of the defect prior to Buyer's customer's acceptance of the Product, Seller shall repair, replace, and/or correct the defective Product at no cost to Buyer.

ii. If Buyer notifies Seller of the defect after Buyer's customer's acceptance of the Product, Buyer's remedy depends on the location of the Product(s) at issue. If the Product is located within the Continental United States, Seller shall repair, replace and/or correct the defective Product at no cost to Buyer. If the Product is located outside of the Continental United States, Seller shall render to Buyer at Buyer's place of business replacement products and instructions for the installation of said products or correction of services at no cost to Buyer. Seller shall not be responsible for the cost of installation of said products or the labor costs to correct said services.

Notwithstanding the foregoing, this warranty does not apply to: damage or defects caused by the installation of equipment by anyone other than Seller; damage or deterioration caused by exposure or abnormal conditions; normal maintenance; cosmetic damage; repairs needed as a result of improper maintenance and/or operation; failure of Buyer to comply with any operational or maintenance guidelines or requirements; repairs needed as a result of abuse, misuse and/or negligence caused in whole or in part by anyone other than Seller, its employees, agents or subcontractors; any and all damage as a result of an act of war or hostilities; accidents or damage resulting from fire, water, wind, hail, lightning, electrical surge or failure, earthquake, theft or similar causes not caused or contributed to by the sole negligence of Seller or its employees, agents, or subcontractors; goods which have been tampered with, altered, modified, repaired, or reworked by anyone other than Seller; and material or goods provided by Buyer or Buyer's customer or from directed sources of supply.

EXCEPT AS SPECIFICALLY SET FORTH HEREIN, SELLER EXPRESSLY DISCLAIMS AND EXCLUDES ANY WARRANTIES, EXPRESS, IMPLIED, OR STATUTORY, OR OTHERWISE CREATED UNDER APPLICABLE LAW, INCLUDING, BUT NOT LIMITED TO, THE WARRANTY

OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTY ARISING FROM USAGE OF TRADE OR COURSE OF DEALING. IN NO EVENT SHALL SELLER'S LIABILITY HEREUNDER OR OTHERWISE ARISING RELATIVE TO THE SALE OF A PRODUCT EXCEED THE PURCHASE PRICE PAID BY BUYER FOR SUCH PRODUCT.

Buyer assumes all risk and liability resulting from use of the Products, whether used singly or in combinations with other products.

12. INTELLECTUAL PROPERTY.

Seller's intellectual property includes, but is not limited to, Seller's inventions, patents, registered and unregistered trademarks, software, documentation, technical data, copyrights, trade secrets, processes, developments, and any other tangible and intangible proprietary assets (hereinafter "Seller's Intellectual Property").

Seller shall not be obligated to disclose to Buyer, and Buyer shall not have the right to review, Seller's Intellectual Property, expressly as otherwise expressly agreed upon by Seller in writing.

Unless as otherwise expressly agreed upon by Seller in writing, Buyer agrees that any intellectual property rights that result from Seller's performance of a Contract are the sole and exclusive property of Seller.

Seller, at its own expense, shall defend or settle any suits that may be instituted by an unrelated third party against Buyer to the extent such suits relate to infringement of any patent, trademark or copyright by Products manufactured by Seller pursuant to the Contract, if such infringement directly arises out of the use of such Products, or components thereof, in Buyer's business for any of the purposes for which the same were sold by Seller under the Contract, and provided that Buyer shall: (i) have made all payments then due under the Contract; (ii) give Seller immediate notice in writing of any such suit; (iii) transmit to Seller immediately upon receipt all processes and papers served upon Buyer; (iv) permit Seller through its counsel, either in the name of Buyer or in the name of Seller, to defend such suits; and (v) give all needed information, assistance and authority to enable Seller to do so. When the Contract is performed under the authorization and consent of the U.S. Government to infringe United States patents, Seller's liability for infringement of such patents pursuant to such performance shall be limited to the extent of the obligation of Buyer to indemnify or hold harmless the U.S. Government.

If Products sold to Buyer under the Contract are held in and of themselves, by final court decision from which no appeal can be taken, to infringe any patent and their use is enjoined, or in the event of a settlement or compromise approved in writing by Seller that precludes future use of Products sold to Buyer under the Contract, then Seller (i) shall pay any final and unappealable award of damages in such suit to the extent such

damages are directly attributable to such infringement, and (ii) shall, at its own expense and at its sole option, (A) procure for Buyer the right to continue using such Products to the extent contemplated in the Contract, (B) modify such Products to render them noninfringing, (C) replace such Products with noninfringing Products, or (D) refund the price paid by Buyer for such Products after Buyer's return of such Products to Seller. This Paragraph 12 does not apply to Products that are manufactured by Seller in accordance with designs or drawings provided to Seller by Buyer or Buyer's customer. This Paragraph 12 states Seller's sole obligation and Buyer's exclusive remedy with respect to patent, trademark or copyright infringement, provided that Seller's liability for patent, trademark and copyright infringement shall not exceed the price paid by Buyer under the Contract.

13. **LIMITATION OF DAMAGES.**

THE MAXIMUM LIABILITY, IF ANY, OF SELLER FOR ALL DAMAGES, INCLUDING WITHOUT LIMITATION CONTRACT DAMAGES AND DAMAGES FOR INJURIES TO PERSONS OR PROPERTY, WHETHER ARISING FROM SELLER'S BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY, OR OTHER TORT, IS LIMITED TO AN AMOUNT NOT TO EXCEED THE PURCHASE PRICE OF THE PRODUCTS AT ISSUE IN THE CLAIM.

IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION LOST REVENUES AND PROFITS AND/OR MONETARY REQUESTS RELATING TO RECALL EXPENSES AND REPAIRS TO PROPERTY INCLUDING THIRD PARTY CLAIMS, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

Notwithstanding anything to the contrary in the Contract, Seller shall not be responsible for, and shall incur no liability with respect to, any information or defective products supplied to Seller by Buyer, Buyer's customer or any of their subcontractors.

The Parties acknowledge and agree that the limitation of damages provisions set forth in this Paragraph 13 shall survive between Buyer and Seller even if the exclusive remedy set forth in Paragraph 11 above is deemed to fail of its essential purpose.

14. **CONFIDENTIAL DATA.**

Confidential and proprietary information ("Confidential Information") means information, oral or written, not generally available to the public that has value to the Parties, including, but not limited to, information relating to the Parties' services, products, designs, or research; information relating to the Parties' business operations such as marketing plans, customer lists and pricing methods; and the Parties' personnel and

organization data, which is disclosed to the other Party in connection with the performance of this Contract. The Parties will not, at any time, whether during the term of this Contract or thereafter, use Confidential Information (other than in connection with the performance of this Contract) or disclose Confidential Information to any person or entity outside of the Parties for any reason or purpose whatsoever. The Parties agree to protect and keep Confidential Information secret and secure from disclosure with the same reasonable care and degree of precautions and safeguards that it uses to protect and keep its own confidential information. The Parties will not disclose or reveal Confidential Information to any party other than their employees and agents that have a need to know such Confidential Information for performing their obligations under this Contract and provided that these individuals are informed of this Contract and their legal duty to maintain the confidentiality of information. All Confidential Information disclosed in the performance of this Contract shall remain the property of the disclosing Party. The Parties shall maintain the Confidential Information in accordance with the terms of this Contract for a period of three years from the expiration or termination of this Contract.

Confidential Information does not include information that (i) is or becomes part of the public domain, (ii) was known to the Party or in the possession of the Party prior to the disclosure, or (iii) was independently acquired or developed without violating any obligations under this Contract.

In the event that a Party receives a request to disclose all or any part of any Confidential Information under the terms of a valid and effective subpoena or order issued by a court of competent jurisdiction, judicial or administrative agency or by a legislative body or committee, such disclosure shall not constitute a violation of this Contract provided that the Party: (a) promptly notifies (not later than 10 days from receipt of request) the other Party of the existence, terms and circumstances surrounding such request; (b) consults with the other Party on the advisability of taking available legal steps to resist or narrow such request; and (c) if disclosure of such Confidential Information is required or deemed advisable, exercises its best efforts to obtain an order or other reliable assurance that confidential treatment will be accorded to such portion of the Confidential Information to be disclosed which the other Party designates.

After the expiration or termination of this Contract, all records, notes, documents and other tangible information supplied by the disclosing Party to the receiving Party in connection with this Contract and all copies, reprints, reproductions or translations thereof made and retained by the receiving Party, will upon thirty (30) days written notice, be returned to the disclosing Party or destroyed, at the disclosing Party's sole option.

15. **INSPECTION.** Buyer or its authorized agents shall have the right to visit Seller's facilities to inspect progress and production of the Products during normal business hours upon

three (3) days' prior written notice, provided that Buyer and such agents shall abide by any applicable rules that Seller may have in effect or hereafter put into effect at such facilities, including, without limitation, rules relating to workers, safety, use of cameras, security and confidentiality procedures or requirements, compliance with export control requirements, designated entrances, hours of work and the handling of equipment or materials. Notwithstanding the foregoing, Buyer shall not have the right to review, audit or inspect Seller's financial records, including, without limitation, Seller's financial statements, cost records, or profit information, without Seller's prior written consent.

16. **CHANGES.**

Buyer may request in writing changes in the specifications and shipping instructions of Products. As promptly as practicable after receipt of such request, Seller shall advise Buyer in an amendment letter what amendments to the Contract, if any, may be necessitated by such changes, including, without limitation, amendment of price, specifications and delivery schedule. If such proposed amendments to the Contract are accepted in writing by Buyer, Seller shall make the requested changes with respect to such Products as may be affected thereby. Seller may furnish suitable substitutes for materials unobtainable because of priorities or regulations established by governmental authority or nonavailability of materials from suppliers. Any such changes in or substitutes of materials or components that were specifically identified in the specifications or Seller's quotation require notice to and the consent of Buyer, which consent shall not be unreasonably withheld or delayed.

If the Contract is issued in support of a U.S. Government prime contract or subcontract, when directed by the U.S. Government, Buyer may make changes within the general scope of the Contract in any one or more of the following: (a) description of the services to be performed; (b) time of performance of services (i.e., hours of the day, days of the week, etc.); (c) place of performance of the services; (d) drawings, designs, or specifications when the goods to be furnished are to be specially manufactured for Buyer in accordance with the drawings, designs or specifications; (e) method of shipment or packing; or (f) place of delivery. If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under this Contract, whether or not changed by the change order, Buyer shall make an equitable adjustment in the Contract price, the delivery schedule, or both, and shall modify the Contract accordingly. Seller must assert its right to an adjustment under this Paragraph 16 within 30 days from the date of receipt of the written change order. However, if Buyer decides that the facts justify it, Buyer may receive and act upon a proposal submitted anytime before final payment of the Contract. Failure to agree to any adjustment shall be a dispute under Paragraph 20 of this Contract.

17. **STOP-WORK ORDER**

If this Contract is issued in support of a U.S. Government prime contract or subcontract, when directed by the U.S. Government, Buyer may, by written order to Seller, require Seller to stop all, or any part, of the work called for by this Contract for a period of 90 days after the order is delivered to Seller, and for any further period to which the Parties may agree. The order shall be specifically identified as a stop-work order issued under this Paragraph 17. Upon receipt of the order, Seller shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of 90 days after a stop-work order is delivered to Seller, or within any extension of that period to which the Parties shall have agreed, Buyer shall either: (i) cancel the stop-work order; or (ii) terminate the work covered by the order as provided in Paragraph 3 of this Contract. If a stop-work order issued under this Paragraph 17 is canceled or the period of the order or any extension thereof expires, Seller shall resume work. Buyer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be modified, in writing, accordingly. If the stop-work order is not canceled and the work covered by the order is terminated in accordance with Paragraph 3 of this Contract, Buyer shall allow reasonable costs resulting from the stop-work order in arriving at the termination settlement. If a stop-work order is not canceled and the work covered by the order is terminated for default, Buyer shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop-work order.

18. **EXPORT RESTRICTIONS**

Prices include Seller's standard commercial export packaging, which will vary depending on whether shipment is made by air or ship. Buyer shall bear any additional expenses required to satisfy Buyer's specifications. Packages will be marked in accordance with Buyer's instructions, and Seller shall furnish complete packing lists and such other information that Buyer will have advised Seller may be necessary to enable Buyer's agent to prepare documents required for export shipment. For customs and duty purposes, Buyer shall supply Seller with all necessary information and assistance that is required for proper classification of the Products and each shipment to secure the most expeditious clearance of each shipment. No shipping devices may be returned to Seller unless such return is accepted in advance by Seller in writing and unless all return freight is prepaid by Buyer.

The Parties agree to comply with all applicable U.S. export control laws and regulations, specifically including but not limited to the requirements of the Arms Export Control Act, 22 U.S.C. 2751-2794, including the International Traffic in Arms Regulation (ITAR), 22 C. F. R. 120 et seq.; and the Export Administration Act, 50 U.S.C. app. 2401-2420, including the Export Administration Regulations, 15 C.F.R. 730-774; including the requirement for obtaining any export license or agreement, if applicable. Without limiting the foregoing, the receiving Party agrees that it will not transfer any information it

receives from the disclosing Party that constitutes any export controlled items, data, or services, to include transfer to foreign persons employed by or associated with, or under contract to the receiving Party or the receiving Party's suppliers, without the authority of an export license, agreement, or applicable exemption or exception. The disclosing Party agrees to notify the receiving Party if any information the disclosing Party discloses to the receiving Party is restricted by export laws or regulations. Buyer agrees to indemnify Seller for any fines, penalties, claims, losses, damages, costs (including legal costs), expenses and liabilities that may arise as a result of Buyer's breach of this Paragraph 18.

19. **GOVERNMENT CONTRACT PROVISIONS**

If the face of the Contract indicates that it is issued in support of a U.S. Government prime contract or subcontract, Seller is only required to comply with those Federal Acquisition Regulation ("FAR"), Department of Defense FAR Supplement ("DFARS"), or other agency FAR supplemental clauses that: (i) Seller agrees to in writing; (ii) Buyer is required by its prime contract or higher-tiered subcontract to include in the Contract; and (iii) apply to the Contract based on the contract type, value, and scope of work.

20. **DISPUTES**

The Parties shall strive to settle amicably and in good faith any dispute arising in connection with this Contract. If they are unable to do so the Parties agree that the dispute shall be resolved by binding arbitration conducted under the rules of the American Arbitration Association, as presently in force, by three arbitrators appointed in accordance with said rules. The place of arbitration shall be Santa Fe Springs, California. Pending resolution of any dispute hereunder, Seller shall proceed diligently with the performance of work, including the delivery of goods in accordance with Buyer's direction, as long as Buyer continues to pay Seller for Products accepted at the Contract price.

THIS CONTRACT SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE INTERNAL LAWS OF THE STATE OF CALIFORNIA AND, ADDITIONALLY, WITH RESPECT TO PRODUCTS DELIVERED OUTSIDE THE UNITED STATES, THE UNITED STATES OF AMERICA (WITHOUT REFERENCE TO PRINCIPLES OF CONFLICTS OF LAWS). THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL NOT BE GOVERNED BY THE 1980 U.N. CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS.

21. **MISCELLANEOUS**

Whenever possible, each provision of this Contract shall be interpreted in such a way as to be effective and valid under applicable law. Any provision hereof that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability

without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction, and the Parties shall substitute therefor an enforceable provision that achieves the same business purpose as the provision that is prohibited or unenforceable.

Either Party's failure to exercise a right or remedy or a Party's acceptance of a partial or delinquent payment shall not be deemed to be a waiver of any of the Party's rights or the other Party's obligations under this Contract, and shall not constitute a waiver of a Party's right to declare a default.

No assignment of this Contract or of any right or obligation under this Contract shall be made by either Party without the prior written consent of the other Party. In the event of a proper assignment, the Contract shall be binding upon and inure to the benefit of the Party's successors and assigns.

In the event of Seller's enforcement of any term or condition in the Contract, Buyer shall be liable to Seller for all costs, including attorneys' fees, incurred by Seller in enforcing the Contract and in collecting any sums owed by Buyer to Seller.

In its relationship with Seller, Buyer is an independent contractor. Nothing in this Contract shall be construed such that Buyer shall be considered an employee, agent or partner of Seller. This Contract shall not confer any rights or remedies upon any third-party, other than the Parties to this Contract and their respective successors and permitted assigns.