PURCHASE ORDER TERMS AND CONDITIONS FOR COMMERCIAL ITEMS
[GOVERNMENT]

Navy (FRC) Integrated Prime Vendor (IPV)
Contract SPM500-04-D-BP13

SECTION 1: GENERAL NOTES

1. THIS IS FOR RESALE TO THE UNITED STATES GOVERNMENT UNDER THE INTEGRATED PRIME VENDOR CONTRACT SPM500-04-D-BP13.

2. SELLER IS REQUIRED TO FOLLOW THE PROVISIONS OF DPAS AND ALL OTHER APPLICABLE REGULATIONS AND ORDERS OF THE U.S. DEPARTMENT OF COMMERCE IN OBTAINING MATERIAL AND SERVICES NEEDED TO FILL THIS ORDER. REFERENCE DPAS REGULATION 15CFR700.

3. SAIC COMMERCIAL TERMS AND CONDITIONS DATE JULY 2007 APPLY. (**SEE SECTION 4**)

4. TRANSPORTATION SHOULD BE INCLUDED IN THE UNIT PRICE.

5. THIS IS A CRITICAL REQUIREMENT AND PARTS MUST BE RECEIVED ON OR BEFORE THE DELIVERY DATE STATED ABOVE. ***BUYER RESERVES THE RIGHT TO CANCEL THIS ORDER BOTH AT NO COST AND WITH NO PENALTIES IF ORDER IS NOT DELIVERED ON OR BEFORE THE STATED DELIVERY DATE.***

SECTION 2: ORDER ACKNOWLEGMENT

1. PLEASE FAX OR E-MAIL A SIGNED ACKNOWLEDGEMENT TO THE BUYER INDICATED UPON RECEIPT OF THIS PURCHASE ORDER. EARLY SHIPMENTS ARE ENCOURAGED.

2. THE PACKAGE MUST BE LABELED WITH THE PURCHASE ORDER NUMBERS, NATIONAL STOCK NUMBER, PART NUMBER, NOMENCLATURE AND MANUFACTURERS CAGE CODE.

3. SELLER WILL CERTIFY THAT MATERIAL PROVIDED UNDER THIS PURCHASE ORDER IS OF THE QUALITY SPECIFIED AND CONFORMS IN ALL RESPECTS WITH REQUIREMENTS, INCLUDING SPECIFICATIONS DRAWINGS, 1ST ARTICLE EVALUATION IF REQUIRED, PRESERVATION, PACKAGING, MARKING AND PHYSICAL ITEM IDENTIFICATION (PART NUMBER) AND ARE IN THE QUANTITY ORDERED.

4. VENDOR MUST PROVIDE A CERTIFICATE OF CONFORMANCE (COC) WITH PACKING SLIP AND THE DD FORM 1348 ON THE OUTSIDE OF THE PACKAGE. ALSO, INCLUDE A COPY OF THE CERTIFICATE OF CONFORMANCE (COC) INSIDE OF PACKAGE. IN ADDITION, INCLUDE MANUFACTURER'S CERTIFICATE OF CONFORMANCE FROM APPROVED MANUFACTURING SOURCE(S) INSIDE THE PACKAGE OF PARTS BEING DELIVERED TO SAIC.

5. A VENDOR OFFER/QUOTATION, "BID WITHOUT EXCEPTION," IS A CERTIFICATION THAT THE "EXACT PRODUCT," MANUFACTURED AND/OR SUPPLIED BY ONE OF THE ENTITIES CITED IN THE PID WILL BE FURNISHED UNDER THE CONTRACT OR ORDER. ANY PRODUCT NOT MANUFACTURED AND/OR SUPPLIED BY ONE OF THE ENTITIES CITED IN THE PID IS AN "ALTERNATE PRODUCT," EVEN THOUGH IT MIGHT BE MANUFACTURED IN ACCORDANCE WITH THE DRAWING(S) AND/OR SPECIFICATIONS OF ONE OF THE ENTITIES CITED IN THE PID, AN ALTERNATE PRODUCT IS UNACCEPTABLE.

SECTION 3: ORDER CERTIFICATION

******** BY VENDOR ACCEPTANCE OF THIS ORDER, THE VENDOR CERTIFIES THE FOLLOWING ********

1. VENDOR CERTIFIES THAT THE PRODUCT CONDITION, MANUFACTURER CAGE CODE AND QUANTITY REQUESTED UNDER THIS PURCHASE ORDER IS "EXACT PRODUCT" ACCORDING TO THE DEFINITION ABOVE AND ONLY "EXACT PRODUCT" WILL BE DELIVERED TO SAIC

2. PLEASE NOTE THAT ALL PARTS PROVIDED AS A RESULT OF THIS PURCHASE ORDER MUST ADHERE TO THE CTDF / PID

SECTION 4: TERMS AND CONDITIONS

This is a Purchase Order between Science Applications International Corporation, hereafter referred to as "Buyer," and Seller identified on the face of this Purchase Order, hereafter referred to as "Seller." This purchase order is referred to as "Order."

SECTION 1. ACCEPTANCE AND MODIFICATION OF TERMS. Acceptance of this Order by Seller may be made by signing the acknowledgment copy hereof or by partial performance hereunder, and any such acceptance shall constitute an unqualified agreement to all terms and conditions set forth herein unless otherwise modified in writing by the parties. Any additions, deletions or differences in the terms proposed by Seller are objected to and hereby rejected, unless Buyer agrees otherwise in writing. No additional or different terms and conditions proposed by the Seller in accepting this Order shall be binding upon Buyer unless accepted in writing by Buyer and no other addition, alteration or modification to, and no waiver of any of the provisions herein contained shall be valid unless made in writing and executed by Buyer and Seller. Seller shall perform in accordance with the Description/Quantity schedule set forth in this Order and all attachments thereto.

SECTION 2. GENERAL RELATIONSHIP. The Seller is not an employee of SAIC for any purpose whatsoever. Seller agrees that in all matters relating to this Order it shall be acting as an independent contractor and shall assume and pay all liabilities and perform all obligations imposed with respect to the performance of this Order. Seller shall have no right, power or authority to create any obligation, expressed or implied, on behalf of Buyer and/or Buyer's customers and shall have no authority to represent Buyer as an agent.

SECTION 3. SUBCONTRACTS AND ASSIGNMENTS. Seller agrees to obtain Buyer's approval before subcontracting this Order or any substantial portion thereof; provided, however, that this limitation shall not apply to the purchase of standard commercial supplies or raw materials. Further, this Order shall not be assigned or delegated by Seller without the prior written consent of Buyer.

SECTION 4. RESPONSIBILITY FOR PROPERTY. In the case of any tools, dies, jigs, fixtures, patterns, equipment, facilities or other property (hereafter "property") of Buyer and/or Buyer's customer which may be in the possession or control of Seller in connection with this Order, Seller shall use such property only in performance of and as specifically authorized by this Order. Seller should take appropriate measures including clearly marking, maintaining an inventory and segregating Buyer's property to protect Buyer's rights and interests in any property provided by Buyer to Seller. Such property shall be returned to Buyer in the condition in which it was received by Seller, except for ordinary wear and tear and except to the extent that such property has been incorporated into goods delivered hereunder or has been consumed in the production of such goods. Risk of loss with respect to all such property shall be the responsibility of Seller. Seller shall indemnify, defend and hold harmless Buyer from any loss or damage to such property which is caused by or results from any act or omission on the part of Seller or its agents, employees or subcontractors. If Seller acquires or manufactures any property in connection with this Order and charges Buyer therefore, Buyer may, at its option upon completion or termination of this Order, elect to take title to such property and, upon receiving notice of such election, Seller shall deliver such property to Buyer.

SECTION 5. RESPONSIBILITY FOR SUPPLIES. Seller shall bear the risk of loss of, or damage to, the supplies covered by this Order, until delivered to Buyer's Plant (or to such other place as may be designated on the face of this Order) and accepted by Buyer, including any defective, non-conforming or rejected supplies.

SECTION 6. INTERCHANGEABILITY. All items furnished pursuant to this Order under the part number specified shall be fully interchangeable with and equal in function and quality to items heretofore furnished under the same part number.

SECTION 7. PACKING AND SHIPPING. Any goods purchased hereunder must be suitably packed and prepared for shipment to secure the lowest transportation rates or appropriately packed to comply with any specific transportation specifications of Buyer, and in all cases, to comply with carrier's regulations. All charges for packing, crating and transportation are included in the price for the goods set forth herein and will be paid by Seller. A Packing List shall accompany each box or package shipment showing the order number specified hereon as well as the item number and a description of the goods. In the event that no such Packing List accompanies any shipment, the count, weight or other measure of Buyer shall be final and conclusive. Buyer shall not be obligated to accept any shipments in excess of the ordered quantity and any excess or advance shipments may be returned to Seller at Seller's expense.

SECTION 8. TRANSPORTATION. FOB: Unless otherwise specified, ship F.O.B. Destination, if shipment is other than F.O.B. Destination, the seller must provide estimated shipping costs.

- Prepaid Transportation: (when specified) Charges must be supported by a paid freight bill or equivalent,
- Cartage: No charge allowed unless authorized by SAIC,
- Premium Transportation: No charge allowed unless authorized by the Buyer.
- Insurance: No charge allowed unless authorized by the Buyer.

SECTION 9. CHANGES AND SUSPENSION. Buyer may, by written notice to Seller at any time, make changes within the general scope of this Order in any one or more of the following: (a) drawings, designs or specifications; (b) quantity; (c) time or place of delivery; (d) method of shipment or packing; and (e) the quantity of Buyer furnished property. Buyer may, for any reason, direct Seller to suspend, in whole or in part, delivery of goods or performance of services hereunder for such period of time as may be determined by Buyer in its sole discretion. If any such change or suspension causes a material increase or decrease in the cost of, or the time required for the performance of any part of the work under this Order, an equitable adjustment shall be made in the Order price or delivery schedule, or both, provided Seller shall have notified Buyer in writing of any claim for such adjustment within twenty (20) days from the date of notification of the change or suspension from Buyer.

No such adjustment or any other modification of the terms of this Order will be allowed unless authorized by Buyer by means of a written modification to this Order. Seller shall proceed with the work as changed without interruption and without awaiting settlement of any such claim.

SECTION 10. NOTICE OF DELAYS. Whenever the Seller has knowledge that any actual or potential issue, event, or circumstance is delaying or threatens to delay the timely performance of this Order, the Seller shall immediately give notice thereof, including all relevant information with respect thereto, to the Buyer. Such notice shall, at a minimum, describe the cause, effect duration, and corrective action proposed by Seller to address the problem. Seller shall give prompt written notice to the Buyer of all changes to such conditions. Buyer reserves the right to cancel this order at no cost and with no penalties if order is not delivered on or before the stated delivery date.

SECTION 11. COMPLIANCE WITH LAWS. Seller shall comply with the applicable provisions of any federal, state or local law or ordinance and all orders, rules and regulations issued there under.

SECTION 12. DELIVERY AND ACCEPTANCE. Time of delivery stated is of the essence. The date specified for delivery is the required delivery, date at Buyer's plant (FOB Destination), unless otherwise specifically noted hereon Buyer reserves the right to refuse any goods or services and to cancel all or any part hereof if Seller fails to deliver all or any part of any goods or perform all or any part of any services in accordance with the terms specified herein. If Seller's deliveries will not meet agreed schedules, buyer may require Seller to ship via a more rapid route or carrier in order to expedite such delivery and any difference in cost caused by such change shall be paid by Seller provided, nevertheless, that such right shall be in addition to any other rights and remedies of Buyer, Acceptance of any part of the Purchase Order shall not bind Buyer to accept future shipments or performance of services nor deprived it of the right to return goods already accepted and shall not be deemed to be a waiver of Buyer's right to cancel or return all or any part of the goods because of failure to conform to Purchase Order or by reason of defects, latent or patent, or other breach of warranty, or to make any claim for damages, including manufacturing cost or loss of profits, injury to reputation or other special, consequential and incidental damages. Such rights shall be in addition to any other remedies provided hereunder or provided by law or otherwise. Delivery shall not be deemed to be complete until goods have been actually received and accepted by Buyer, notwithstanding delivery to any carrier, or until orders for services have been performed, received and accepted.

SECTION 13. INSPECTION. All goods supplied and services performed pursuant hereto shall be subject to inspection and test by buyer and its agents and by its customers at all times and places, whether during or after manufacture as to goods, or performance as to services, and notwithstanding the terms of delivery or payment or, as to goods, that title has not yet passed to Buyer or to its customers. In the event that goods supplied are not performed in accordance with the specifications and instructions of Buyer, Buyer may require prompt correction thereof, or as to services, require that the services be rendered again at Seller's expense or, as to goods, require that the goods be replaced at Seller's expense. If such defects exist or if Seller is unable or refuses to replace the goods or render the services again promptly, Buyer may, by contract or otherwise, replace such goods or obtain such services and charge Seller or deduct from amounts owed by Buyer to Seller the costs, expenses and losses including incidental and consequential damages incurred thereby which are in excess of Seller's price for such goods or services. After notification to seller that goods are defective all risk of loss with respect to such goods shall be with Seller and Seller shall pay all packing and shipping charges in connection with defective goods returned by the Buyer. Buyer's approval of design furnished by Seller shall not relieve Seller of its obligations herein. The goods covered by this Subcontract are intended for the manufacture and sale of buyer's established products in which Buyer has built a substantial and valuable reputation for quality and efficiency and any defect in the goods hereunder may occasion special damage to Buyer. All rights and remedies of the Buyer hereunder shall be in addition to any other remedies provided by law.

SECTION 14. INVOICE AND PAYMENT. Invoices shall be submitted in duplicate and shall contain the following information: order number, item number, description of articles, sizes, quantities, unit prices and extended totals. Invoices submitted hereunder will be paid Net 45 Days after receipt of a proper invoice or acceptance of delivered items by the Buyer, whichever occurs later. Any adjustments in Seller's invoices due to shortages, late delivery, rejections, or other failure to comply with the requirements of this Order may be made by Buyer before payment. Cash discounts will be taken from the date of final acceptance of delivered items, or the date of acceptable invoice, whichever is later. Payment shall not constitute final acceptance. Buyer may offset against any payment hereunder any amount owed to Buyer by Seller. For orders under $2,500.00, Buyer may have the option of paying via Credit Card. For all orders accepted for Credit Card payment, Seller will not submit for payment until time of shipment. Partial shipments and payments are acceptable.

Note: "Seller may select Automated Clearing House Credits ("ACH funds transfer"), as the means of settlement. With regard to such ACH funds transfer, a payment from Buyer to Seller shall be considered timely with respect to any payment due date contained herein if the ACH funds transfer is completed no later than four (4) business days after such payment due date. Buyer shall not be in breach of these terms and conditions, or suffer any loss of discount or other penalty, with respect to an ACH funds transfer that was initiated properly and timely by Buyer to the extent its completion is delayed because of failure or delay by the ACH funds transfer system, the operation of an ACH funds transfer system rule which could not be anticipated by Buyer, or rejection by the Seller's bank."

SECTION 15. WARRANTY. Seller warrants that items provided under this Order are merchantable and fit for use for the particular purpose for which they are intended.

(a) Seller expressly warrants to Buyer that, at the time of delivery of any article delivered under this Order, such article will be free from defects in material and workmanship, and will otherwise conform to all requirements of the contract, including the following:

(i) All goods delivered pursuant hereto will be new, unless otherwise specified and fit for consumer use, if so intended;

(ii) Applicable specifications, drawings and standards listed in the DOD Index of Specifications and Standards (DODISS);

(iii) Applicable Government drawings, unlimited rights to company drawings, and specifications and standards other than Federal or Military specifications and standards;

(iv) Applicable manufacturers' (OEMs') drawings, specifications, and standards;

(v) Applicable industry specifications and standards; and

(vi) Specific technical requirements for specific Original Equipment Manufacturers' (OEMs') Part Numbered items described in the Contract Technical Data File for items identified in this Order.

(vii) Seller agrees to replace or repair defective parts under this warranty. Any part, which is replaced or repaired, is expressly warranted for the identical period, commencing from the date the part is delivered.

(viii) All representations and warranties of seller shall run to Buyer and Buyer's customers.

(b) Except as provided in Paragraph (c) below, this warranty shall be effective for a period of one year from the date on which the article is delivered to a bench stock bin, or for the period accorded by the Seller, whichever is later. Any part, which is warranted for the identical period, commencing from the date the part is placed in the bench-stock bin.

(c) In the event of a latent defect, fraud, or gross mistake as amounts to fraud, there shall be no time limit upon which SAIC must exercise a remedy relating to the delivery of a nonconforming article to a bench-stock bin.

SECTION 16. TERMINATION FOR CONVENIENCE.

(b) SAIC shall have the right to terminate this Order, in whole or in part, at any time, without cause, by providing twenty (20) days written notice to Seller. Upon receiving notice of such termination, Seller shall

(i) stop all work on this Order on the date and to the extent specified;

(ii) place no further contracts hereunder except as may be necessary for completing such portions of the Order as have not been terminated;

(iii) terminate all contracts to the extent that they may relate to portions of the Order that have been terminated; and

(iv) protect all property in which SAIC has or may acquire an interest.

(d) Within twenty (20) days from such termination, Seller may submit to SAIC its written claim for termination charges in the form prescribed by SAIC, it being understood and agreed that only Seller's actual cost incurred and no profit shall be allowed for quantities terminated pursuant to this clause. Failure to submit such claim within such time shall constitute a waiver of all claims and a release of all SAIC's liability arising out of such termination.

(e) SAIC reserves the right to verify claims hereunder and Seller shall make available to SAIC, upon its request, all relevant books and records for inspection and audit. If Seller fails to afford SAIC its rights hereunder, Seller shall be deemed to have relinquished its claim.

SECTION 17. TERMINATION FOR DEFAULT.

(a) Buyer may, by written notice of default to Seller, terminate the whole or any part of this Order in any one of the following circumstances:

(i) Seller fails to make delivery of the supplies or to perform the services within the time specified herein or any extension thereof; or

(ii) Seller fails to perform any of the other provisions of this Order or so fails to make progress as to endanger performance of this Order in accordance with its terms, and in either of the circumstances specified in this subpart (a)(ii) does not cure such failure within a period of 10 days (or such longer period as Buyer may authorize in writing) after receipt of notice from the Buyer specifying such failure;

(iii) Seller becomes insolvent or the subject of proceedings under any law relating to bankruptcy or the relief of debtors or admits in writing its inability to pay its debts as they become due; or

(iv) Seller fails to provide Buyer, in writing, within a reasonable time after demand by Buyer, adequate assurances of performance by Seller.

(b) If this Order is so terminated, Buyer may procure or otherwise obtain, upon such terms and in such manner as Buyer may deem appropriate, supplies or services similar to those terminated. Seller, subject to the exceptions set forth below, shall be liable to Buyer for any excess costs, including administrative cost, of such similar supplies or services.

(c) Seller shall transfer title and deliver to Buyer, in the manner and to the extent requested in writing by Buyer at or after termination, such complete or partially completed articles, property, materials, parts, tools, dies, patterns, jigs, fixtures, plans, drawings, information and contract rights as Seller has produced or acquired for the performance of the terminated part of this Order and Buyer will pay Seller the contract price for completed articles delivered to and accepted by Buyer and the fair value of the other property of Seller so requested and delivered.

(d) Seller shall continue performance of this Order to the extent not terminated. Buyer shall have no obligations to Seller in respect to the terminated part of this Order except as herein provided. Buyer's rights as set forth herein shall be in addition to any other rights in case of Seller's default.

(e) Seller shall not be liable for damages resulting from default due to causes beyond Seller's control and without Seller's fault or negligence, provided, however, that if Seller's default is caused by the default of a subcontractor or supplier at any tier, such default must arise out of causes beyond the control of both Seller and subcontractor or supplier, and without the fault or negligence of either of them and, provided further, the supplies or services to be furnished by the subcontractor or supplier were not obtainable from other sources.

SECTION 18. ALTERNATE PRODUCTS FOR SPECIFIC PART NUMBERED ITEMS. The "exact product" must be furnished by Seller when the item of product is identified by the name of a manufacturer or other entity, its cage code and part number. From time to time, Seller may recommend or propose an additional source or substitute part for the application of the item of product identified as an "exact product." To have such proposal or recommendation considered, the Seller must submit a complete Technical Data Package (TDP) in support thereof. A complete TDP consists of legible copies of all drawings, specifications, standards or other data necessary to describe clearly the characteristics and features of the Alternate Product proposed or recommended. The data must cover design, including materials, form, fit, function, and interchangeability, and must provide performance, inspection and testing criteria, and any other salient features of the Alternate Product. The TDPs submitted must be in accordance with the requirements of the Source Approval Handbook(s) published by the applicable Military Service Engineering Support Activity. From time to time, the Buyer may request the Seller to provide evidence that part numbered items furnished under the Order were the "exact products" as defined above. Such evidence must be sufficient to provide traceability of the product delivered under the Order to the "exact product" source.

SECTION 19. TAXES. The price(s) set forth herein shall include all applicable Federal, State and local taxes and duties.

SECTION 20. ADVERTISING. Seller shall not, without first obtaining the written consent of Buyer, in any manner advertise or publish the fact that Seller has furnished or contracted to furnish Buyer with the supplies or services hereunder, or disclose any of the details connected with this Order to any third party, except as may be required to perform this Order.

SECTION 21. INSURANCE.

(a) In accordance with subparts (b) below, upon Buyer's request Seller agrees to provide Certificates of Insurance evidencing that the required insurance coverage's are in force and providing not less than thirty days notice prior to any cancellation or restrictive modification of the policies. Further, the required insurance coverage's below shall be primary and non-contributing with respect to any other insurance that may be maintained by Buyer. The below required coverage's and their limits in no way lessen nor affect Seller's other obligations or liabilities set forth in this Order.

(b) Seller agrees to purchase and maintain at its own expense the following insurance coverage with minimum limits as stated.

(i) Commercial General Liability in an amount no less than $1M per each occurrence and $2M in the aggregate covering bodily injury, broad form property damage, personal injury, products and completed operations, contractual liability, and independent contractor's liability. SAIC, its officers and employees shall be included as Additional Insureds and a waiver of subrogation shall be obtained from the carrier in favor of SAIC;

(ii) Products Liability in an amount no less than $1 Million per occurrence covering bodily injuries or property damage arising out of defective products or work completed. To the extent that coverage for Seller's products are not excluded in (i), this requirement does not apply;

(iii) All-Risk Property Insurance in an amount adequate to replace property of Buyer and/or Buyer's customer, including supplies covered by this Order, which may be in the possession or control of Seller. Buyer shall be named as a Loss Payee with respect to loss or damage to said property and/or supplies furnished by Buyer.

(iv) If aircraft products are being provided under this Order, Seller agrees to carry Aircraft Products Liability Insurance, covering liability arising out of the manufacture, sale, servicing, repair, distribution, instruction and operation of aircraft related products or services with a per occurrence limit of $1,000,000.

SECTION 22. CONFIDENTIALITY AND USE OF BUYER FURNISHED ITEMS/INFORMATION. Seller agrees that it will keep confidential and not disclose, disseminate or publish the features of any equipment, tools, gauges, patterns, designs, drawings, engineering data, computer programs and software or other technical or proprietary information furnished, loaned or bailed by Buyer hereunder (hereinafter collectively referred to as "Items/Information", and use such Items/Information only in the performance of this Purchase Order or, if authorized, other orders from Buyer and not otherwise, without Buyer's prior written consent. Notwithstanding any other provision herein, Buyer and Seller shall each retain ownership of, and all right, title and interest in and to, their respective pre-existing Intellectual Property.

All such Items furnished, loaned or bailed by Buyer hereunder, or fabricated, manufactured, purchased, or otherwise acquired by Seller for the performance of this Purchase Order and specifically charged to Buyer, are the property of Buyer.

Upon completion, expiration or termination of this Purchase Order, Seller shall return all such Items in good condition, reasonable wear only excepted, together with all spoiled and surplus Items to Buyer, or make such other disposition thereof as may be directed or approved by Buyer. Seller agrees to replace, at its expense, all such Items not so returned. Seller shall make no charge for any storage, maintenance or retention of such Items. Seller shall bear all risk of loss for all such Items in Seller's possession.

Seller also agrees to use any designs or data contained or embodied in such Items in accordance with any restrictive legends placed on such Items by the Buyer or any third party. If Buyer furnishes any material for fabrication hereunder, Seller agrees:

(i) not to substitute any other material for such fabrication without Buyer's prior written consent, and (ii) that title to such material shall not be affected by incorporation in or attachment to any other property.

SECTION 23. PATENTS AND DATA.

(a) If any experimental, developmental or research work is performed hereunder, Seller agrees to and hereby does grant to Buyer an irrevocable, non-exclusive, fully transferable, royalty-free license to make, have made, use and sell any invention, improvement or discovery (whether or not patent able) that Seller conceives or first actually reduces to practice in the performance of this Order.

(b) Seller agrees to and hereby does grant to Buyer an irrevocable, non-exclusive, fully transferable, royalty-free license to reproduce, translate, publish, use and disclose, and to authorize others to do so, for any purpose, (i) any copyrighted or copyrightable material delivered or incorporated into any deliverable hereunder; and (ii) all or any part of any deliverable hereunder, including without limitation, any reports, drawings, blueprints, data, software and technical information.

SECTION 24. INDEMNIFICATION.

Seller shall indemnify, defend and hold harmless Buyer from and against any and all claims, liabilities, damages, losses, causes of action, lawsuits, costs and expenses, including reasonable attorneys' fees and litigation costs incurred in connection therewith and regardless of legal theory (hereinafter referred to as "claims"), occasioned wholly or in part by any act or omission of Seller or any of its subcontractors or suppliers at any tier, or their employees, agents or representatives, arising out of or relating to this Order. Notwithstanding the foregoing, Seller's obligations under this Section shall not apply to any claims which are finally determined by a court of competent jurisdiction to be occasioned solely by the negligence or willful misconduct of Buyer

SECTION 25. INFRINGEMENT INDEMNITIES. Seller shall indemnify, defend and hold Buyer and Buyer's customers (hereinafter collectively referred to as "Buyer") harmless from and against any claim, suit or proceeding ("claim") brought against Buyer asserting that the goods or services, or any part thereof, furnished under this Order, or Buyer's use (including resale) thereof, constitutes an infringement of any patent, trademark, trade secret, copyright or other intellectual property right, and Seller shall pay all damages and costs awarded against and reasonable expenses incurred by Buyer in connection with such claim including reasonable attorneys' fees. In the event such goods or services or use thereof are enjoined in whole or in part, Seller shall at its expense and option undertake one of the following: (i) obtain for Buyer the right to continue the use of such goods or services; (ii) in a manner acceptable to Buyer, substitute equivalent goods or services or make modifications thereto so as to avoid such infringement and extend this indemnity thereto; or (iii) refund to Buyer an amount equal to the purchase price for such goods or services plus any excess costs or expenses incurred in obtaining substitute goods or services from another source.

SECTION 26. APPROVALS BY BUYER: Whenever the Order provides for submittal of preliminary design, components or other items for review by Buyer, such approval or concurrence shall not be construed as a determination by Buyer as to the adequacy of said design, component or item, nor as an agreement that the designs, components, or items satisfy the requirements of this Order. Such approval or concurrence is solely for the purpose of ensuring Buyer's awareness of Seller's general approach and progress in meeting the requirements under this Order. Notwithstanding, Seller remains responsible for correcting any errors, or deficiencies, existing in the submitted design, component, or other items, and for meeting all requirements of this Order.

SECTION 27. NOTIFICATION OF DEBARMENT/SUSPENSION: By acceptance of this Order either in writing or by performance, Seller certifies that as of the date of award of this Order neither the Seller, nor any of its principals, is debarred, suspended, or proposed for debarment by the Federal Government. Further, Seller shall provide immediate written notice to the SAIC in the event that during performance of this Order the Seller or any of its principals is debarred, suspended, or proposed for debarment by the Federal Government.

SECTION 28. QUALITY ASSURANCE: Seller certifies that as of the date of award of this Order it has a Quality Assurance program that is ISO 9002 certified or comply with acceptable Aerospace Industry Standards such as MIL-I-45208. The Buyer, and/or personnel authorized by Buyer, shall have the right, at all reasonable times, to visit Seller's facilities or such parts thereof as may be engaged in work relating to this Order in order to verify that Seller's performance is in accordance with all requirements of this Order. In addition, Buyer, and/or personnel authorized by Buyer shall have the right, at all reasonable times, to visit the facilities of the Seller's lower-tier subcontractors or such parts thereof as may be engaged in work relating to this Order. The Seller shall include a like provision in all related lower-tier subcontracts. Nothing herein shall give the Buyer the right to issue direct orders or instructions to Seller's lower-tier subcontractors. Seller shall be furnished prior notice of any planned visit.

SECTION 29. NON-WAIVER OF RIGHTS. The failure of Buyer to insist upon strict performance of any of the terms and conditions in this Order or to exercise any rights or remedies shall not be construed as a waiver of its rights to assert any of same or to rely on any such terms or conditions at any time thereafter. Any rights and remedies specified under this Order shall be cumulative, non-exclusive and in addition to any other rights and remedies available at law or equity. The invalidity in whole or in part of any term or condition of this Order shall not affect the validity of other parts thereof.

SECTION 30. EXPORT CONTROL COMPLIANCE FOR FOREIGN PERSONS. The subject technology of this Purchase agreement (together including data, services, and hardware provided hereunder) may be controlled for export purposes under the International Traffic in Arms Regulations (ITAR) controlled by the U.S. Department of State or the Export Administration Regulations ("EAR") controlled by the U.S. Department of Commerce. ITAR controlled technology may not be exported without

prior written authorization and certain EAR technology requires a prior license depending upon its categorization, destination, end-user and end-use. Exports or re-exports of any U.S. technology to [any destination under U.S. sanction or embargo are forbidden.

Access to certain technology ("Controlled Technology") by Foreign Persons (working legally in the U.S.), as defined below, may require an export license if the Controlled Technology would require a license prior to delivery to the Foreign Person's country of origin. SELLER is bound by U.S. export statutes and regulations and shall comply with all U.S. export laws. SELLER shall have full responsibility for obtaining any export licenses or authorization required to fulfill its obligations under this Purchase agreement.

SELLER hereby certifies that all SELLER employees who have access to the Controlled Technology are U.S. citizens, have permanent U.S. residency or have been granted political asylum or refugee status in accordance with 8 U.S.C. 1324b(a)(3). Any non-citizens who do not meet one of these criteria are "Foreign Persons" within the meaning of this clause but have been authorized under export licenses to perform their work hereunder.

SECTION 31. STANDARDS OF BUSINESS ETHICS & CONDUCT

SAIC believes in fair and open competition and is committed to conducting its business fairly, impartially and in an ethical and proper manner. SAIC is owned and controlled by its employee owners. These characteristics make it imperative that SAIC employees adhere to a particularly high ethical standard. Employee ownership both demands and fosters highly ethical conduct because SAIC can be successful only when employees look after long-term interests of the company and resist pressures to compromise SAIC standards. Buyer's expectation is that Seller also will conduct its business fairly, impartially and in an ethical and proper manner. If Seller has cause to believe that Buyer or any employee or agent of Buyer has acted improperly or unethically under this agreement/order, Seller shall report such behavior to the SAIC Ethics Hotline (800) 435-4234. Copies of The Science Applications International Corporation (SAIC) code of Ethics and contacts for such reports are available on www.saic.com under Corporate Governance.

SECTION 32. ORDER OF PRECEDENCE. In the event of an inconsistency or conflict between provisions of this Order, the inconsistency or conflict shall be resolved by giving precedence in the following order:

1. Purchase Order and any purchase descriptions contained therein.
2. Purchase Order Terms and Conditions for Commercial Items (Government) (9-932-002) and Exhibits thereto.
3. Specifications and/or drawings.
4. Other provisions when attached.

SECTION 33. GOVERNING LAW. This Order shall be governed by and construed in accordance with the laws of the State of Virginia without regard to its conflict or choice of law provisions.

SECTION 34. DISPUTES. Buyer and Seller agree to first enter into negotiations to resolve any controversy, claim or dispute ("dispute") arising under or relating to this Order. The parties agree to negotiate in good faith to reach a mutually agreeable resolution of such dispute within a reasonable period of time. If good faith negotiations are unsuccessful, Buyer and Seller agree to resolve the dispute by binding and final arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The arbitration shall take place in the County of San Diego, State of California. The arbitrator(s) shall be bound to follow the provisions of this Order in resolving the dispute, and may not award punitive damages. The decision of the arbitrator(s) shall be final and binding on the parties, and any award of the arbitrator(s) may be entered or enforced in any court of competent jurisdiction.

SECTION 35. ENTIRE AGREEMENT. This Order, including all documents incorporated herein by reference, shall constitute the entire agreement and understanding between the parties hereto and shall supersede and replace any and all prior or contemporaneous representations, agreements or understandings of any kind, whether written or oral, relating to the subject matter hereof.

SECTION 36. ANTI-KICKBACK ACT OF 1986. By accepting this Order, Seller certifies that it has not offered, provided, or solicited and will not offer, provide, or solicit any kickback in violation of the Anti-Kickback Act of 1986 (41 USC §§ 51-58). "Kickback" means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind that is provided, directly or indirectly, for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or a subcontract relating to a prime contract. Seller agrees to indemnify, defend, and hold Buyer harmless from and against any losses, liabilities, offsets and expenses (including reasonable attorney's fees) arising out of or relating to Seller's failure to comply with the provisions of the Anti-Kickback Act.

SECTION 37. CONTRACT COST PRINCIPLES AND PROCEDURES. Seller agrees that to the extent applicable, costs allocated to this contract shall be in full compliance with Subpart 31.2 of FAR and the applicable agency supplements thereto, if any, set forth in Part II thereof. In the event such compliance is not maintained, Seller agrees to compensate Buyer to the full extent of any prices or costs, including any penalties or interest, which is determined by Buyer's customer to be unallowable or unreasonable or not allocable, under Buyer's contract with its customer.

Section 38. COMPLIANCE WITH LAWS UNIQUE TO GOVERNMENT CONTRACTS. The Seller agrees to comply with 31 U.S.C. 1352 relating to limitations on the use of appropriated funds to influence certain Federal contracts; 18 U.S.C. 431 relating to officials not to benefit; 40 U.S.C. 327, et seq., Contract Work Hours and Safety Standards Act; 41 U.S.C. 51-58, 41 U.S.C. 265 and 10 U.S.C. 2409 relating to whistleblower protections; 49 U.S.C. 40118, Fly American; and 41 U.S.C. 423 relating to procurement integrity.

Section 39. FAR CLAUSES APPLICABLE TO THIS ORDER. The clauses in FAR Subpart 52.2 referenced in subparagraph (a), the clauses applicable in subparagraph (b), and those clauses referenced and checked in subparagraph (c) below, in effect on the date of this Order, are incorporated herein and made a part of this Order. To the extent that an earlier version of any such clause is included in the Prime Contract or Subcontract under which this Order is issued, the date of the clause as it appears in such Prime Contract or Subcontract shall be controlling and said version shall be incorporated herein. The extent of the flow down shall be as required by the clause:

(a) The following clauses are applicable to this order:

Clause & FAR Ref.	Title of Clause
52.219-8	Utilization of Small Business Concerns [15 U.S.C. 637(d)(2) and (3)]
52.222-26	Equal Opportunity (E.O. 11246)
52.222-35	Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (38 U.S.C. 4212)
52.222-36	Affirmative Action for Workers with Disabilities (29 U.S.C. 793)
52.222-50	Combating Trafficking in Persons (Aug 2007)
52.247-64	Preference for Privately-Owned U.S. Flag Commercial Vessels (46 U.S.C. Appendix 1241(b) and 10 U.S.C. 2631)

(b) The Seller shall comply with the FAR clauses in this paragraph (b) that the Buyer has indicated as being incorporated into this order by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

Clause & FAR Ref.	Title of Clause
52.203-3	Gratuities
52.203-4	Covenant Against Contingent Fees
52.203-6	Restrictions on Subcontractor Sales to the Government, with Alt I (41 U.S.C. 253g and 10 U.S.C. 2402)
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity (Jan 1997)
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity (Jan 1997)
52.203-12	Limitation on Payments to Influence Certain Federal Transactions
52.219-9	Small Business Subcontracting Plan [15 U.S.C. 637(d)(4)] (Alt II)
52.222-3	Convict Labor (E.O. 11755)
52.222-19	Child Labor-Cooperation with Authorities and Remedies (E.O. 13126)
52.222-21	Prohibition of Segregated Facilities
52.222-37	Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Sep 2006) (38 U.S.C 4212)
52.225-13	Restrictions on Certain Foreign Purchases
52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement (Aug 1996)
252.203-7000	Requirements Relating to Compensation of Former DoD Officials
252.219-7003	Small Business Subcontracting Plan (DOD Contracts) (15 U.S.C. 637).
252.225-7001	Buy American Act and Balance of Payments Program (41 U.S.C. 10a-10d, E.O. 10582)
252.225-7002	Qualifying Country Sources as Subcontractors
252.225-7012	Preference for Certain Domestic Commodities (10 U.S.C. 2533a
252.225-7014	Preference for Domestic Specialty Metals, Alternate I (10 U.S.C. 2533a).
252.225-7016	Restriction on Acquisition of Ball and Roller Bearings (Section 806 of Public Law 107-117)
252.226-7001	Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns
252.227-7015	Technical Data-Commercial Item
252.247-7023	Transportation of Supplies by Sea (10 U.S.C. 2631)
252.247-7024	Notification of Transportation of Supplies by Sea (10 U.S.C. 2631)