

TERMS AND CONDITIONS WHICH ARE PART OF PURCHASE ORDER ISSUED UNDER
GOVERNMENT CONTRACTS OR GRANTS FOR A PRICE OF \$5,000 OR MORE.

1. **Changes**

The Buyer may at any time by a written direction, and without notice to the sureties, make changes, within the general scope of this order, in any one or more of the following: (1) drawings, designs, or specifications, where the supplies to be furnished are to be specially manufactured for the Buyer in accordance therewith; (2) method of shipment or packing; (3) place of delivery. If any such change causes an increase or decrease in the cost of, or the time required for the performance of any part of the work under this order, whether changed or not changed by any such direction, an equitable adjustment shall be made in the price or delivery schedule, or both, and the order shall be modified in writing accordingly. Any claim by the Seller for Adjustment under this clause must be asserted within 30 days from the date of receipt by the Seller of the notification of change; provided, however, that the Buyer, if it decides that the facts justify such action may receive and act upon any such claim asserted at any time prior to final payment under this order. Where the cost of property made obsolete or excess as a result of a change is included in the Seller's claim for adjustment, the Buyer shall have the right to prescribe the manner of disposition of such property. Nothing in this paragraph shall excuse the Seller from proceeding with the order as changed.

2. **Contract Termination**

The Buyer may terminate this purchase order in whole or in part, at any time, for convenience (as distinguished from termination for breach) by notice in writing to the Seller specifying the date upon which such termination shall become effective and the extent to which such performance hereunder shall be terminated. Termination shall be effective upon the date and to the extent specified in said notice. Upon receipt of Notice of Termination hereunder, the Seller shall act in good faith to attempt to agree upon such lump sum, in lieu of the price or prices elsewhere specified in this purchase order, as the parties mutually agree is fair and equitable under the circumstances.

3. **Delays - Damages**

If the Seller

- a. fails or refuses to deliver the goods within the time provided for herein, or
- b. otherwise violates any of the provisions of this purchase order and does not cure such violation within ten days after receiving written notice of such violation from the Buyer, the Buyer may, at its option, by notice in writing, terminate the right of the Seller to proceed with its delivery of the goods still to be delivered or such part or parts thereof as to which there has been a delay. The Seller shall be liable for any excess cost occasioned the Buyer by reason of the Seller's failure or breach, including among others, those incurred if and when the goods are procured elsewhere. The right of the Seller to proceed shall not be terminated under this paragraph because of an "excusable delay." The term "excusable delay" as used in this paragraph means (except with respect to defaults of subcontractors) any cause of failure to perform beyond the control and without the fault or negligence of the Seller, including, but not restricted to, an Act of God, or of the public enemy, or of the Government, and a fire, flood, epidemic, strike, and unusually severe weather, but in every case the failure to perform must be beyond the control of both the Seller and the subcontractor, and without the fault or negligence of either of them, unless the Buyer determines that the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to meet the required delivery schedules. The rights and remedies of the

Buyer provided in this paragraph shall not be exclusive, and are in addition to any other rights and remedies provided by law.

4. **Patent Indemnity**

The Seller shall protect and indemnify the Buyer from and against any and all claims, damages, judgements, costs, expenses, and loss arising from the infringement or alleged infringement of any United States patent by any of the goods delivered hereunder, excepting that the Seller does not warrant against any infringement:

- a. Necessarily resulting from the Seller's compliance with written specifications or provisions for other than standard parts or components manufactured or supplied by the Seller or resulting from specific written instructions given by the Buyer for the purpose of directing a manner of performance of the contract not normally utilized by the Seller, or
- b. by reason of the use of the goods delivered hereunder in combination with other goods or materials or in the operation of any process.

In the event of any suit or proceeding for patent infringement the Seller shall promptly notify the Buyer thereof.

5. **Arbitration**

Any disagreements arising out of this Purchase Order or from breach thereof, shall be submitted for arbitration (such arbitration to be held within 75 miles of Princeton, New Jersey), and the judgement upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. There shall be three arbitrators, one named in writing by each party to this Purchase Order within five days after notice of arbitration is served by either party upon the other, and a third arbitrator selected by these two arbitrators within five days thereafter. The arbitration shall be held under the standard form of the Rules of the American Arbitration Association.