



General Terms and Conditions

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7600 5th Ave. South
P. O. Box 80505
Seattle 98108

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General Terms and Conditions of Purchase Order

1. DEFINITIONS: As used in these General Terms and Conditions, "Order" shall mean this Purchase Order and all of its attachments and exhibits; "Materials" shall mean any materials, machinery, equipment, article, item, maintenance, construction or other services or work provided for in this Order; "MACHINISTS INC. " shall mean Machinists Inc. a Washington State corporation with its principal offices at 7600 5th Ave. South, Seattle, Washington 98108; "Seller" shall mean the person, proprietor, partnership, limited liability company, firm, corporation or other entity to which a Purchase Order is issued.

2. CONTRACT: When accepted by Seller, subject to Section 12 below, this Order shall constitute the entire contract between Seller and MACHINISTS INC. with reference to the Materials, Process or Service. None of the general terms and conditions contained in this Order may be added to, modified, superseded or otherwise altered except by written instrument signed by an authorized representative of the party against which such changes are sought to be enforced, and each shipment received by MACHINISTS INC. from Seller shall be deemed to be made only upon the general terms and conditions contained in this Order, notwithstanding any terms and conditions that may be contained in any acknowledgment, invoice or other form of Seller and notwithstanding MACHINISTS INC.'s act of accepting or paying for any shipment or similar act of MACHINISTS INC, except as otherwise indicated in the Purchase Order. Written instructions issued to Seller by an authorized representative of MACHINISTS INC.'s Purchasing Department, may from time to time make changes, issue additional instructions, require additional Materials, or cancel Materials ordered hereunder. If any such change causes an increase or decrease in the cost of or the time required for the performance of this Order, an equitable adjustment shall be made in the price and/or delivery schedule, as applicable. The Purchase Order and any amendments shall represent a signed agreement.

3. PRICE, TAXES AND TERMS:

(a) The Seller certifies that the prices specified in this Order are as low or lower than prices quoted by the Seller to any other customer purchasing the same type and/or quantity of specified Materials, as MACHINISTS INC..

(b) In the event that the Seller's published prices for the Materials covered by this contract are reduced below the prices specified in this Order, or if the Seller provides or agrees to provide the type and/or quantity of Materials covered by this contract to any other customer for a price lower than that specified in this Order, MACHINISTS INC. shall receive the benefits of such reduction and shall pay the price or prices specified decreased by the amount of such reduction.

(c) Unless otherwise specified herein, the Seller must deliver the full quantity of goods, or complete to the satisfaction of an authorized representative of MACHINISTS INC.'s Purchasing and/or Quality Departments, the full quantity of services, specified herein before any payment will become due from MACHINISTS INC..

(d) Shipment of Materials shall be accompanied by a shipping notice or a packing slip describing the contents of each package or container showing weight, quantity and order number. Material and Process certifications shall accompany each shipment unless otherwise specifically stated in the Purchase Order.

(e) Shipment charges invoiced to MACHINISTS INC. by Seller or any third party shall be supported and accompanied by the original receipted bill of Seller's or such third party's shipper. All prices quoted in the Purchase Order will include the cost of insurance and shipping unless otherwise agreed to.

(f) Seller shall show federal excise, state and or local taxes, if any, separately on invoice.



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(g) Seller shall not substitute Materials or ship more than the quantity of materials ordered without express written authority from an authorized representative of MACHINISTS INC.'s Purchasing Department. Otherwise, MACHINISTS INC. reserves the right to reject such Materials.

(h) The method of shipment and routing shall conform to MACHINISTS INC.'s instructions; otherwise, any extra costs shall be borne by Seller. If not otherwise specified by MACHINISTS INC., Seller shall ship Materials at the most economical prevailing means and rate consistent with safe and timely delivery of such Materials.

4. DELAY OR NONDELIVERY: If, upon Seller's receipt of this Order or at any time thereafter, Seller finds that it cannot ship the Materials within the time specified in this Order, Seller shall so notify MACHINISTS INC. immediately by the fastest means possible and shall inform MACHINISTS INC. of Seller's earliest possible shipping date (the "Revised Shipping Date"). MACHINISTS INC. shall have the option upon ten days' notice to Seller either to cancel all or any part of the Order or to accept the Order and Seller's Revised Shipping Date. Seller's failure to ship the Materials by the Revised Shipping Date shall entitle MACHINISTS INC. at MACHINISTS INC.'s sole option to cancel all or any part of the Order upon notice to Seller without prejudice to any other rights MACHINISTS INC. may have in the Order or as a result of Seller's failure, or which may survive the termination of the Order.

5. QUALITY AND INSPECTION: The Materials supplied hereunder shall be of good quality, free from any faults and defects, in conformance with this Order, and shall at all times be subject to MACHINISTS INC.'s inspection before acceptance by MACHINISTS INC.. However, neither MACHINISTS INC.'s inspection nor omission of inspection shall relieve Seller of any obligations, representations or warranties hereunder. If the Materials fail to conform to MACHINISTS INC.'s specifications or are otherwise defective, Seller shall promptly rework, repair or replace same at Seller's sole expense. Any services supplied hereunder shall be of good quality, free from any faults or defects and in conformance with this Order. All services not conforming to these requirements, including substitutions not properly approved and authorized, shall be considered defective, and Seller shall promptly correct such defective services at Seller's sole expense. No payment for or acceptance of Materials, including services, by MACHINISTS INC. hereunder shall constitute a waiver of any of the foregoing nor shall anything herein contained be construed to exclude or limit any of Seller's warranties implied by law.

6. Right of Entry / Right of Access: Seller agrees that MACHINISTS INC. representatives, its clients and/or other parties authorized by MACHINISTS INC., shall be granted access to Seller facilities and records for the purpose of inspection, surveillance or audits.

7. Force Majeure: Neither Buyer or Seller shall be liable for any failure or delay in performing its obligations under the Order, or for any loss or damage resulting therefrom, due to: (a) Acts of God, War, Terrorism, Riot, Embargos, acts of civil or military authorities, fire, flood, epidemics, unusually severe weather; or (b) similar causes beyond their control and which are not foreseeable.

8. Export Control: Seller agrees to comply with all applicable U.S. export control laws and regulations, including, but not limited to, DFARS 252.204-7008 "Export Controlled Items," the requirements of the Arms Export Control Act (including the International Traffic in Arms Regulations (ITAR)) and the Export Administration Act (including the Export Administration Regulations), and will obtain any necessary export licenses or agreements. Without limiting the foregoing, Seller agrees that it will not transfer any export controlled item, data, or services received under the Order to any foreign person or to a foreign entity, including foreign persons employed by or associated with, or under contract to Seller or Seller's lower-tier suppliers, without the prior authority of an export license, agreement, or applicable exemption or exception.



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Seller agrees to provide certification to Buyer that Seller's personnel meet the definition of a U.S. Person (as defined in ITAR – 22 CFR 120.15) if required by Buyer and as necessary to comply with this clause.

Seller agrees to notify Buyer if any deliverable (or component of any deliverable) under the Order is restricted by export control laws or regulations. Seller agrees to provide the export classification information for such deliverables or components of deliverables (e.g., the Export Control Classification Numbers or United States Munitions List category and subcategory), along with documentation or other information that supports or confirms this representation.

9. FAR AND DFARS PROVISIONS: The following clauses in the FAR and the DFARS are each incorporated herein by this reference and made a part of the Order, with the same force and effect as if they were given in full text, and are applicable, including any notes following the clause citation, to the Order. To the extent that an earlier version of any clause is included in the Prime Contract or subcontract under which the 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. In all FAR and DFARS clauses, the term "Contractor" or "prime contractor" shall mean "Seller", the term "Contract" or "Schedule" shall mean "Order", and the term "Government Contracting Officer", or equivalent phrases, shall mean "Buyer" as applicable; except that in those clauses relating to patent and data rights, the term "Government" or "Contracting Officer" shall retain its literal meaning and is not to be construed as "Buyer", except where otherwise indicated herein. ***It is intended that the clauses in FAR and DFARS as listed herein shall apply to Seller in such manner as is necessary to reflect the position of Seller as a subcontractor to Buyer, to ensure Seller's obligations to Buyer and to the Government, and to enable Buyer to meet its obligations under its Prime Contract or subcontract. Seller agrees to flow-down, as required, all applicable FAR and DFARS clauses to its lower-tier subcontractors.*** Any reference to a "Disputes" clause in a referenced FAR or DFARS clause shall mean clause A-15, "Disputes/Arbitration" of these terms and conditions.

The following clauses of the FAR and DFARS are specifically incorporated herein by reference.

FAR CLAUSE (Ref)

- 52.203-3 **GRATUITIES** –This clause applies if the Order exceeds the simplified acquisition threshold of \$150,000.
- 52.203-5 **COVENANT AGAINST CONTINGENT FEES** – This clause applies if the Order exceeds the simplified acquisition threshold of \$150,000.
- 52.203-6 **RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT** - This clause applies if the Order exceeds the simplified acquisition threshold of \$150,000.
- 52.203-7 **ANTI-KICKBACK PROCEDURES** – This clause applies if the Order exceeds the simplified acquisition threshold amount of \$150,000, including paragraph (c) (5) except that paragraph (c)(1) is not included in the Order. Paragraph (c) (4) is revised by deleting "The Contracting Officer may" and inserting "To the extent the Contracting Officer has affected an offset at the prime contract level or has directed Buyer to withhold any sum from the Seller, Buyer may ..."
- 52.203-8 **CANCELLATION, RESCISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY** – This clause applies if the Order exceeds the simplified acquisition threshold amount of \$150,000. Furthermore, this clause applies if the Seller, its employees, officers, directors or agents participated personally and substantially in any part of the preparation of a proposal for the Order. The Seller shall indemnify Buyer for any and all losses suffered by the Buyer due to violations of the Office of Federal Procurement Policy Act (41 U.S.C. 423) (the Act) by Seller or its subcontractors at any tier.



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52.203-10 **PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY** – This clause applies if the Order exceeds the simplified acquisition threshold amount of \$150,000. If the Government reduces Buyer's price or fee for violations of the Office of Federal Procurement Policy Act (41 U.S.C. 423), as amended by section 4304 of the National Defense Authorization Act for Fiscal Year 1996 (the Act) by Seller or its subcontractors at any tier, Buyer may withhold sums owed to the Seller in the amount of the reduction.

52.203-12 **LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS** – This clause applies if the Order is in excess of the simplified acquisition threshold of \$150,000.

52.203-13 **CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT** – This clause applies if the Order is in excess of \$5,000,000.

52.203-14 **DISPLAY OF HOTLINE POSTER** – This clause applies if the Order is in excess of \$5,000,000.

52.203-15 **WHISTLEBLOWER PROTECTIONS UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009** – This clause applies if the Order is funded by the American Recovery and Reinvestment Act of 2009.

52.204-2 **SECURITY REQUIREMENTS** – This clause (but excluding any reference to the "Changes" clause) applies if the Order involves access to classified information, including but not limited to "confidential," "secret," or "top secret" information. "Government" in paragraph (c) does not change to "Buyer." Alternative I shall apply if the Seller is an educational institution.

52.204-11 **AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 – REPORTING REQUIREMENTS** - This clause is applicable if the funding is provided by the American Recovery and Reinvestment Act of 2009. Except in paragraph (c), reports shall be provided to Buyer no later than the 5th day after the end of each calendar quarter. Reports shall be furnished to Buyer in accordance with paragraph (d)(10).

52.208-8 **REQUIRED SOURCES FOR HELIUM AND HELIUM USAGE DATA** – This clause applies if the Order involves a major helium requirement.

52.209-6 **PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED OR PROPOSED FOR DEBARMENT** – This clause applies if the Order will exceed \$30,000.

52.211-5 **MATERIAL REQUIREMENTS** – This clause applies if the Order includes supplies that are not commercial items.DF-1 Rev. 11/10 8

52.211-15 **DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS** – This clause applies if the Order is a rated order certified for national defense use. The rating designation will appear on the face of the Order.

52.215-2 **AUDIT AND RECORDS - NEGOTIATION** – This clause applies if the Order exceeds the simplified acquisition threshold of \$150,000 and is a cost-reimbursement, incentive, time and material, or labor hour order. Alternate I applies if the Order is funded under the American Recovery and Reinvestment Act of 2009.

52.215-10 **PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA** – This clause applies when contracting by negotiation when it is contemplated that the Order is \$700,000 or more and cost or pricing data will be required. In



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paragraph (c)(1) the term "Contracting Officer" does not change. As required by applicable law or regulation, Seller shall provide cost or pricing data and execute a Certificate of Current Cost or Pricing Data in substantially the form prescribed in FAR 15.406-2. In addition to any remedies provided by law, if Buyer is subjected to any liability as a result of Seller's failure to comply with this requirement, then Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage or expense (excluding Buyer's overhead and profit) resulting from such failure.

52.215-11 **PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA –MODIFICATIONS** – This clause applies when it is contemplated that cost or pricing data will be required for the pricing of contract modifications, and the clause, 52.215-10 is not applicable. This clause shall apply only for any modifications to the Order involving a pricing adjustment expected to exceed the threshold for submission of cost or pricing data in the amount of \$700,000. As required by applicable law or regulation, Seller shall provide cost or pricing data and execute a Certificate of Current Cost or Pricing Data in substantially the form prescribed in FAR 15.406-2. In addition to any remedies provided by law, if Buyer is subjected to any liability as a result of Seller's failure to comply with this requirement, then Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage or expense (excluding Buyer's overhead and profit) resulting from such failure.

52.215-12 **SUBCONTRACTOR COST OR PRICING DATA** – This clause is applicable when clause 52.215-10 is applicable to the Order. In addition, Seller shall indemnify and hold Buyer harmless from and against any loss, cost or damage incurred by Buyer under Buyer's contract with its customer as a result of Seller or Seller's subcontractors providing defective cost or pricing data in connection with this provision.

52.215-13 **SUBCONTRACTOR COST OR PRICING DATA – MODIFICATIONS** – This clause applies when it is contemplated that cost or pricing data will be required for the pricing of contract modifications, and clause 52.215-11 is included in the Order. This clause shall become operative only for a modification to the Order involving a pricing adjustment expected to exceed the threshold for submission of cost or pricing data in the amount of \$700,000. In addition, Seller shall indemnify and hold Buyer harmless from and against any loss, cost or damage incurred by Buyer under Buyer's contract with its customers as a result of Seller or Seller's subcontractors providing defective cost or pricing data in connection with this provision.

52.215-14 **INTEGRITY OF UNIT PRICES** – This clause applies if the Order does not include the following: (1) acquisitions at or below the simplified acquisition threshold of \$150,000; (2) construction or architect engineer services under part 36; (3) utility services under part 41; (4) service contracts where **DF-1 Rev. 11/10** 9 supplies are not required; (5) acquisitions of commercial items; and (6) contracts for petroleum products.

52.215-15 **PENSION ADJUSTMENTS AND ASSET REVERSIONS** – This clause applies if it is anticipated that certified cost or pricing data will be required, or for which any pre-award or post award cost determinations will be subject to FAR part 31 dealing with cost principles and procedures for contracts, subcontracts or modifications.

52.215-16 **FACILITIES CAPITAL COST OF MONEY** – This clause applies if it is anticipated that the Order is subject to cost principles for contracts with commercial organizations.

52.215-17 **WAIVER OF FACILITIES CAPITAL COST OF MONEY** – This clause applies if Seller does not propose facilities capital cost of money in its offer.



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52.215-18 **REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS** – This clause applies if it is anticipated that cost or pricing data will be required or for any pre-award or post-award cost determination which will be subject to FAR part 31.

52.215-19 **NOTIFICATION OF OWNERSHIP CHANGES** – This clause applies if it is anticipated that cost or pricing data will be required, or for which any pre-award or post-award cost determination which will be subject to FAR subpart 31.2.

52.219-8 **UTILIZATION OF SMALL, SMALL DISADVANTAGED AND WOMEN OWNED SMALL BUSINESS CONCERNS** – This clause is applicable if the Order is expected to exceed the simplified acquisition threshold amount of \$150,000 unless a personal services contract is contemplated or the Order together with all of its subcontracts will be performed entirely outside of the U.S. and its outlying areas.

52.219-9 **SMALL BUSINESS SUBCONTRACTING PLAN** – This clause does not apply to small business concerns. It applies only if the Order exceeds \$650,000 and offers further subcontracting opportunities. Furthermore, this clause requires inclusion of the clause at 52.219-8 Utilization of Small Business Concerns, in sub-tier subcontracts.

52.219-16 **LIQUIDATED DAMAGES – SUBCONTRACTING PLAN** – This clause is applicable if the Order is to a large business and exceeds \$650,000 and offers further subcontracting opportunities.

52.222-1 **NOTICE TO GOVERNMENT OF LABOR DISPUTES**

52.222-3 **CONVICT LABOR**

52.222-4 **CONTRACT WORK HOURS AND SAFETY STANDARDS ACT – OVERTIME COMPENSATION** - This clause is applicable if the Order is anticipated to exceed the simplified purchasing threshold of \$150,000 and may involve the employment of laborers or mechanics, except for additional exceptions identified at FAR 22.305.

52.222-19 **CHILD LABOR – COOPERATION WITH AUTHORITIES AND REMEDIES**

52.222-20 **WALSH-HEALY PUBLIC CONTRACTS ACT** – This clause applies if the Order is for the manufacture or furnishing of materials, supplies, articles or equipment in an amount that exceeds \$15,000 and is subject to the Walsh-Healey Public Contracts Act. **DF-1 Rev. 11/10 10**

52.222-21 **PROHIBITION OF SEGREGATED FACILITIES**

52.222-26 **EQUAL OPPORTUNITY** - This clause is applicable if the Order is expected to exceed \$10,000.

52.222-35 **EQUAL OPPORTUNITY FOR VETERANS** – This clause applies if the Order is expected to exceed the simplified acquisition threshold of \$150,000.

52.222-36 **AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES** – This clause applies if the Order is expected to exceed \$15,000.

52.222-37 **EMPLOYMENT REPORTS ON VETERANS, VETERANS** – This clause applies if the Order is expected to exceed the simplified acquisition threshold of \$150,000.



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- 52.222-41 **SERVICE CONTRACT ACT OF 1965, AS AMENDED** – This clause applies if the Order is subject to the Service Contract Act of 1965 and is over \$2,500.
- 52.222-50 **COMBATING TRAFFICKING IN PERSONS**
- 52.222-54 **EMPLOYMENT ELIGIBILITY VERIFICATION** – This clause applies if the Order exceeds the simplified acquisition threshold of \$150,000 unless the work is performed outside the U.S.
- 52.223-7 **NOTICE OF RADIOACTIVE MATERIALS** – This clause applies if the Order involves supplies which are, or which contain: (a) radioactive material requiring specific licensing under regulations issued pursuant to the Atomic Energy Act of 1954; or (b) radioactive material not requiring specific licensing in which the specific activity is greater than 0.002 microcuries per gram or the activity per item equals or exceeds 0.01 microcuries.
- 52.223-14 **TOXIC CHEMICAL RELEASE REPORTING** – This clause applies if the Order exceeds the simplified acquisition threshold of \$150,000.
- 52.225-1 **BUY AMERICAN ACT – SUPPLIES** – This clause applies the Order if it is valued at \$3,000 to \$25,000. This clause applies to Orders in excess of \$25,000 and none of clauses prescribed in FAR 25.1101, paragraphs (b) and (c) apply (subject to specified exceptions listed in sub-paragraphs (i) through (iii)) apply.
- 52.225-3 **BUY AMERICAN ACT – FREE TRADE AGREEMENT – ISRAELI TRADE ACT** – This clause applies to the Order if it is for supplies for use in the United States, and the value is \$25,000 or more, but is less than \$203,000 and the Order is not for information technology that is a commercial item.
- 52.225-5 **TRADE AGREEMENTS** – This clause applies if the Order is valued at \$203,000 or more if the acquisition is covered by the WTO GPA and the Contracting Officer has determined that the restrictions of the Buy American Act are not applicable.
- 52.225-13 **RESTRICTIONS ON CERTAIN FOREIGN PURCHASES**
- 52.227-1 **AUTHORIZATION AND CONSENT** – This clause applies if the Order is for supplies or services except when both complete performance and delivery are outside the U.S., its possessions and Puerto Rico. Alternate I is applicable if the Order is for research and development (R&D). **DF-1 Rev. 11/10 11**
- 52.227-2 **NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT**
- 52.227-10 **FILING OF PATENT APPLICATIONS – CLASSIFIED SUBJECT MATTER** - This clause applies if the Order covers classified subject matter or where the nature of the work or classified subject matter involved in the work reasonably might be expected to result in a patent application containing classified subject matter.
- 52.227-11 **PATENT RIGHTS - OWNERSHIP BY THE CONTRACTOR** - This clause applies if the Order is for experimental, developmental, or research work or construction that includes experimental, development or research work.
- 52.227-14 **RIGHTS IN DATA – GENERAL** – Including Alternates I, II, III, IV, and V if it is contemplated that data will be produced, furnished, or acquired under the Order.



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52.230-2 **COST ACCOUNTING STANDARDS** – This clause except paragraph (b), applies to the Order if the value is in excess of \$700,000, and to all subcontracts of any tier, unless the Order is subject to modified coverage.

52.230-3 **DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES** – This clause applies if the Order is over \$700,000 but less than \$50 million and the Seller certified it is eligible for and elects to use modified CAS coverage (see 48 CFR 9903.201-2 (FAR Appendix)).

52.230-5 **COST ACCOUNTING STANDARDS -- EDUCATIONAL INSTITUTION**, Applicable to the Order if it is in excess of \$700,000 awarded to educational institutions, except for CAS-covered orders issued to FFRDCs operated by an educational institution unless the order is exempted (see 48 CFR 9903.201-1 (FAR Appendix)), the contract is to be performed by an FFRDC (see 48 CFR 9903.201-2(c)(5) (FAR Appendix)), or FAR 52.230-2 applies.

52.230-6 **ADMINISTRATION OF COST ACCOUNTING STANDARDS** – Applies if FAR 52.230-2, FAR 52.230-3 or FAR 52.230-5 applies.

52.242-15 **STOP WORK ORDER** – This clause applies if the Order is for supplies, services, or R&D. If this is a cost-reimbursement Order, Alternate I also applies.

52.244-2 **SUBCONTRACTS**

52.244-6 **SUBCONTRACTS FOR COMMERCIAL ITEMS**

52.245-1 **GOVERNMENT PROPERTY** – This clause is applicable if the Order is: (i) a cost reimbursable, time and material, or labor-hour type order; or (ii) fixed-price order when the Buyer or the Government will provide government property, and/or (iii) order or modifications awarded under FAR Part 12 (Commercial) procedures where Government property that exceeds the simplified acquisition threshold, as defined in FAR 2.101, is furnished or where the Seller is directed to acquire property for use under the Order that is titled in the Government.

52.247-63 **PREFERENCE FOR U.S. FLAG AIR CARRIERS** – This clause applies to the Order whenever it is possible that U.S. Government financed international air transportation of personnel (and their personal effects) or property will occur in the performance of the Order. This clause does not apply to the Order if it was awarded using simplified acquisition procedures or it is for commercial items. **DF-1 Rev. 11/10 12**

52.247-64 **PREFERENCE FOR PRIVATELY OWNED U.S. FLAG COMMERCIAL VESSELS**
THE FOLLOWING DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT (DFARS) CLAUSES ARE INCORPORATED HEREIN BY REFERENCE.

252.203-7001 **PROHIBITION ON PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE-CONTRACT RELATED FELONIES** – This clause applies to the Order if it exceeds the simplified acquisition threshold amount of \$150,000. "Government" is not changed in this clause.

252.203-7002 **REQUIREMENTS TO INFORM EMPLOYEE'S OF WHISTLEBLOWER RIGHTS**

252.203-7003 **AGENCY OFFICE OF THE INSPECTOR GENERAL**



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252.204-7000 **DISCLOSURE OF INFORMATION** – This clause is applicable to the Order if the Seller will have access to or generate unclassified information that may be sensitive and inappropriate for release to the public. In paragraph (c) “Contracting Officer” means “Contracting Officer.”

252.204.7008 **EXPORT- CONTROLLED ITEMS**

252.211-7000 **ACQUISITION STREAMLINING** – This clause is applicable if the Order is for a systems acquisition program exceeding \$1,000,000.

252.211-7003 **ITEM IDENTIFICATION AND VALUATION** – This clause is applicable if subassemblies, components or parts embedded within deliverables are defined as requiring DOD unique item identification as specified in the Order.

252.211-7007 **REPORTING OF GOVERNMENT-FURNISHED EQUIPMENT IN THE DOD ITEM UNIQUE IDENTIFICATION (IUID) REGISTRY**

252.215-7002 **COST ESTIMATING SYSTEM REQUIREMENTS** – This clause applies if the Order is awarded on the basis of cost or pricing data.

252.219-7003 **SMALL, SMALL DISADVANTAGED AND WOMEN-OWNED SMALL BUSINESS SUBCONTRACTING PLAN (DOD CONTRACTS)** – This clause does not apply to small business concerns. It applies only if the Order exceeds \$650,000.

252.222-7006 **RESTRICTION ON USE OF MANDATORY ARBITRATION AGREEMENTS** – This clause applies if the Order is in excess of \$1 million utilizing funds appropriated or otherwise made available by the Fiscal Year 2010 Defense Appropriations Act (Pub. L. 111-118) except for the acquisition of commercial items, including commercially available off-the-shelf items.

252.223-7006 **PROHIBITION ON STORAGE AND DISPOSAL OF TOXIC AND HAZARDOUS MATERIALS** – Applicable to the Order if it is performed, even partly, on a Department of Defense Installation. This clause is applicable if the Order requires, may require, or permits the treatment or disposal of non-DOD-owned toxic or hazardous materials.

252.225-7001 **BUY AMERICAN ACT AND BALANCE OF PAYMENTS PROGRAM** – “Government” is not changed in this clause.

252.225-7002 **QUALIFYING COUNTRY SOURCES AS SUBCONTRACTORS DF-1 Rev. 11/10 13**

252.225.7006 **QUARTERLY REPORTING OF ACTUAL CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES** – This clause applies if the Order exceeds \$550,000. Seller shall submit quarterly reports for second tier subcontracts as directed in paragraphs (b) through (e) of this clause.

252.225-7007 **PROHIBITION ON ACQUISITION OF UNITED STATES MUNITIONS LIST ITEMS FROM COMMUNIST CHINESE MILITARY COMPANIES** – Applies if the Order involves the delivery of items covered

252.225-7008 **RESTRICTION ON ACQUISITION OF SPECIALTY METALS** – This clause is applicable if the Order exceeds the simplified acquisition threshold of \$150,000.



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252.225-7009 **RESTRICTION ON ACQUISITION OF CERTAIN ARTICLES CONTAINING SPECIALTY METALS** – This clause is applicable if the Order exceeds the simplified acquisition threshold of \$150,000.

252.225-7012 **PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES** – This clause is applicable if the Order exceeds the simplified acquisition threshold amount of \$150,000.

252.225-7013 **DUTY-FREE ENTRY** – This clause applies in lieu of FAR 52.225-8 to the Order if it involves supplies that will enter the customs territory of the United States if such supplies will be accorded duty-free entry under the Prime Contract.

252.225-7015 **RESTRICTION ON ACQUISITION OF HAND OR MEASURING TOOLS** -- Applicable to the Order if it exceeds the simplified acquisition threshold of \$150,000 and requires delivery of hand or measuring tools.

252.225-7016 **RESTRICTION ON ACQUISITION OF BALL AND ROLLER BEARINGS** – This clause is applicable to the Order except for commercial items other than ball or roller bearings acquired as end items; or items that do not contain ball or roller bearings.

252.225-7021 **TRADE AGREEMENTS** – This clause applies to the Order in lieu of FAR 52-225-5 if the Trades Agreements Act applies.

252.225-7025 **RESTRICTION ON ACQUISITION OF FORGINGS** – This clause is applicable if the Order is for forging items or for other items that contain forging items.

252.225-7027 **RESTRICTION ON CONTINGENT FEES FOR FOREIGN MILITARY SALES**

252.225-7030 **RESTRICTION ON ACQUISITION OF CARBON, ALLOY, AND ARMOR STEEL PLATE** – Applicable to the Order if it (a) requires the delivery to the Government of carbon, alloy, or armor steel plate that will be used in a Government Owned or controlled facility.

252.225-7036 **BUY AMERICAN ACT – FREE TRADE AGREEMENTS – BALANCE OF PAYMENTS PROGRAM** – This clause applies if the Seller is supplying an item that is an end product under the Prime Contract, the Prime Contract contains the equivalent clause and the Order is for the items listed at DFARS

225.401-70, **Estimated Value** -- When the estimated value equals or exceeds \$25,000, but is less than \$203,000, and a Free Trade Agreement applies to the acquisition. Alternate I to the clause applies when the Order's estimated value equals or exceeds \$25,000 but is less than \$72,079. The basic clause applies when the estimated value equals or exceeds \$72,079.**DF-1 Rev. 11/10 14**

252.225-7038 **RESTRICTION ON ACQUISITION OF AIR CIRCUIT BREAKERS** –Applicable to the Order if it requires delivery of air circuit breakers for naval vessels to the Government.

252.225-7040 **CONTRACTOR PERSONNEL AUTHORIZED TO ACCOMPANY U.S. ARMED FORCES DEPLOYED OUTSIDE THE UNITED STATES** – Applicable to the Order when performance of the Order requires that Seller's personnel accompany U.S. Armed Forces deployed outside the United States in (1) Contingency operations (2) Humanitarian or peacekeeping operations (3) Other military operations; or (4) Military exercises designated by the combatant commander.



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252.225-7043 **ANTITERRORISM / FORCE PROTECTION POLICY FOR DEFENSE CONTRACTORS OUTSIDE THE UNITED STATES** – Applicable to the Order if it requires performance or travel outside the United States.

252.226-7001 **UTILIZATION OF INDIAN ORGANIZATIONS, INDIAN-OWNED ECONOMIC ENTERPRISES AND NATIVE HAWAIIAN SMALL BUSINESS CONCERNS – DOD CONTRACTS** – This clause applies if the Order exceeds \$500,000 and further subcontracting opportunities may exist.

252.227-7013 **RIGHTS IN TECHNICAL DATA – NONCOMMERCIAL ITEMS** – This clause is applicable when technical data, but not software, will be delivered to the Government by the Buyer from the Seller. “[T]o the Contractor” has been deleted from (b)(1)(vi) and “contract or” and “thereunder” have been deleted from (b)(1)(ix). “Buyer or” is added before “Government” in (c) and (i). The second and third occurrences of “Contracting Officer” are changed to “Government” in (e)(4). “And the Government” is added after “parties” in (h)(1). In (h)(2) “sixty (60)” is changed to “fifty (50)” days. No substitutions for “Government” have been made.

252.227-7014 **RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND NONCOMMERCIAL COMPUTER SOFTWARE DOCUMENTATION** – This clause is applicable when software and software documentation will be delivered to the Government by the Buyer from the Seller. “Buyer or” is added before “Government” in (b)(1)(i). “[T]o the Contractor” has been deleted from (b)(1)(iii) and “contract or” and “thereunder” is deleted from (b)(1)(vi). The second and third occurrences of “Contracting Officer” have been changed to “Government” in (e)(4). “And the Government” is added after “parties” in (h)(1). In (h)(2) “sixty (60)” is changed to “fifty (50)” days. No substitutions for “Government” have been made.

252.227-7016 **RIGHTS IN BID OR PROPOSAL INFORMATION**

252.227-7019 **VALIDATION OF ASSERTED RESTRICTIONS – COMPUTER SOFTWARE** – This clause is applicable if the Seller will be furnishing computer software to the Government in the performance of the Order.

252.227-7025 **LIMITATIONS ON THE USE OR DISCLOSURE OF GOVERNMENT-FURNISHED INFORMATION MARKED WITH RESTRICTIVE LEGENDS**

252.227-7026 **DEFERRED DELIVERY OF TECHNICAL DATA OR COMPUTER SOFTWARE** – This clause is applicable if the Order requires delivery of technical data or computer software, but does not contain a time for delivery. The obligation of Seller to deliver such technical data expires two years after the date the Buyer accepts the last item from the Seller for use in the performance of the contract. The Order will specify which technical data or computer software will be subject to deferred delivery. **DF-1 Rev. 11/10 15**

252.227-7027 **DEFERRED ORDERING OF TECHNICAL DATA OR COMPUTER SOFTWARE** – This clause is applicable when a firm requirement for a particular data item(s) has not been established prior to Order award but there is a potential need for the data. The obligation of Seller to deliver such data expires three years after the date the Buyer accepts the last item under the Order.

252.227-7028 **TECHNICAL DATA OR COMPUTER SOFTWARE PREVIOUSLY DELIVERED TO THE GOVERNMENT** – In this clause, the terms “contract” and “subcontract” shall not change in meaning. This clause is applicable if the Order will require the Seller to deliver computer software or computer software documentation.

252.227-7030 **TECHNICAL DATA - WITHHOLDING OF PAYMENT**



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252.227-7037 **VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA** – This clause is applicable if the Order requires the delivery of technical data, except contractual instruments for commercial items or commercial components.

252.227-7038 **PATENT RIGHTS – OWNERSHIP BY THE CONTRACTOR (LARGE BUSINESS)** – This clause is applicable if Seller is a large business and FAR 52.227-11 does not apply.

252.227-7039 **PATENTS – REPORTING OF SUBJECT INVENTIONS**

252.231-7000 **SUPPLEMENTAL COST PRINCIPLES**

252.235-7003 **FREQUENCY AUTHORIZATION** – This clause applies if the Order requires the development, production, construction, testing, or operation of a device for which a radio frequency authorization is required.

252.242-7004 **MATERIAL MANAGEMENT AND ACCOUNTING SYSTEM** – This clause applies to the Order if it exceeds the simplified acquisition threshold amount of \$150,000 and it is a cost reimbursement type or fixed price with progress payments.

252.244-7000 **SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (DOD CONTRACTS)**

252.246-7001 **WARRANTY OF DATA**

252.247-7023 **TRANSPORTATION OF SUPPLIES BY SEA** – This clause is applicable to the Order if it is in excess of the simplified acquisition threshold of \$150,000 except for direct purchase of ocean transportation services. "Contractor" in paragraphs (b)(c)(d) and (e) is changed to "Seller" and "Contracting Officer" is changed to Buyer". Paragraph (c), is modified to read "The Seller and its subcontractors may request that the Buyer obtain Government authorization for shipment..." In paragraph (d) "45" is changed to "60" days and "30" to "25" in paragraph (e). In paragraph (e) substitute "Buyer" for "Contracting Officer and the reference to the Division of National Cargo, Office of Market Development, Maritime Administration, U.S. Department of Transportation, Washington, DC 20590," is deleted. Paragraph (g) is deleted.

252.247-7024 **NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA** – This clause applies to the Order if the Seller's original response to the solicitation stated that no transportation by sea was contemplated. Paragraph (a) second sentence is modified to read "If, after award of the Order, the Seller learns that supplies...." **DF-1 Rev. 11/10 16**

252.249-7002 **NOTIFICATION OF ANTICIPATED CONTRACT TERMINATION OR REDUCTION** – This clause is applicable to the Order if it is valued at \$650,000 or more and thereafter to lower tier orders of \$150,000 or more. "Buyer" is substituted for "Contracting Officer" throughout.

B-2 PROVISIONS APPLICABLE TO NONCOMMERCIAL FIXED PRICE ORDERS

In addition to the General Provisions of Section A and the FAR and DFARS provisions of Section B-1, the following clauses of the FAR and DFARS are applicable if the Order is fixed price.

52.227-9 **REFUND OF ROYALTIES**

52.228-5 **INSURANCE – WORK ON A GOVERNMENT INSTALLATION** – This clause is applicable if the Order is expected to exceed the simplified acquisition threshold amount of \$150,000 and work will be required on a Government installation.



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52.229-3 **FEDERAL, STATE, AND LOCAL TAXES** – This clause is applicable if the Order is to be performed wholly or partly in the U.S.; a fixed-price contract is contemplated; and the Order is expected to exceed the simplified acquisition threshold amount of \$150,000.

52.232-1 **PAYMENTS** – This clause is applicable if the Order is a fixed-price supply contract, a fixed-price service contract, or a contract for nonregulated communication services.

52.232-2 **PAYMENTS UNDER FIXED-PRICE RESEARCH AND DEVELOPMENT CONTRACTS** – Applicable if the Order is for research and development.

52.232-5 **PAYMENTS UNDER FIXED-PRICE CONSTRUCTION CONTRACTS** – Applicable if this Order is for construction.

52.232-11 **EXTRAS** – This clause is applicable if the Order is a fixed-price supply, fixed-price service order or a transportation order.

52.232-16 PROGRESS PAYMENTS – This clause is applicable if the Order provides for progress payments based on costs; the clause includes Alternate I if the Seller is a small business. Alternate II applies if the Order is not definitized.

52.232-17 **INTEREST**

52.243-1 **CHANGES — FIXED-PRICE** - Alternate I of this clause is applicable if the Order is a fixed-price contract for supplies. Alternate II is applicable if the requirement is for services (other than architect-engineer services, transportation, or research and development) and supplies are to be furnished.

52.246-2 **INSPECTION OF SUPPLIES - FIXED PRICE** – This clause is applicable if the Order is for supplies or services that involve the furnishing of supplies, and the amount is expected to exceed the simplified acquisition threshold amount of \$150,000.

52.246-4 **INSPECTION OF SERVICES – FIXED PRICE** – This clause is applicable if the Order is for services or supplies that involve the furnishing of services, and the amount is expected to exceed the simplified acquisition threshold amount of \$150,000. **DF-1 Rev. 11/10 17**

52.246-16 **RESPONSIBILITY FOR SUPPLIES** – This clause is applicable if the Order is for (a) supplies, (b) services involving the furnishing of supplies, or (c) research and development, when the amount is expected to exceed the simplified acquisition threshold amount of \$150,000.

52.246-17 WARRANTY OF SUPPLIES OF A NONCOMPLEX NATURE – This clause is applicable if the Order is for noncomplex items. In paragraph (b) (1) and (c) (1) insert the words, “one year after acceptance.”

52.246-18 **WARRANTY OF SUPPLIES OF A COMPLEX NATURE**, – Applicable to the Order if it is for deliverable complex items. In paragraph (b) (1) insert the words, “one year after acceptance”.

52.249-1 **TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED PRICE) (SHORT FORM)** – This clause applies only if at the time of termination; the Order does not exceed \$150,000.



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52.249-2 **TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED PRICE)** – This clause applies only if at the time of termination, the Order exceeds \$150,000.

52.249-8 **DEFAULT (FIXED-PRICE SUPPLY AND SERVICE)** – This clause is applicable if the Order exceeds the simplified acquisition threshold amount of \$150,000.

252.243-7001 **PRICING OF CONTRACT MODIFICATIONS**

252.246-7001 **WARRANTY OF DATA**, Alternate II

252.246-7001 **WARRANTY OF DATA**, Alternate I – Applicable to the Order if it is a fixed price incentive Order. **B-3 PROVISIONS APPLICABLE TO NONCOMMERCIAL COST REIMBURSEMENT ORDERS**

In addition to the General Provisions of Section A and the FAR and DFARS provisions of Section B-1, the following clauses of the FAR and DFARS are applicable if this Order is cost reimbursable.

52.216-7 **ALLOWABLE COST AND PAYMENT** – In paragraph (a)(1) delete “Government” and add “Buyer” in its place and delete “Contractor” and add “Seller” in its place. If the Seller is an educational institution, modify the clause by deleting from paragraph (a) the words “Subpart 31.2” and substituting them with “Subpart 31.3.” If the Order is with a State or local government, modify the clause by deleting from paragraph (a) the words “Subpart 31.2” and substituting for them “Subpart 31.6.” If the Order is with a nonprofit organization other than an educational institution, a State or local government, or a nonprofit organization exempted under OMB Circular No. A-122, modify the clause by deleting from paragraph (a) the words “subpart 31.2” and substituting for them “Subpart 31.7.”

52.216-8 **FIXED FEE** – This clause is applicable if the Order is cost-plus-fixed-fee (other than a facilities or construction contract).

52.222-2 **PAYMENT FOR OVERTIME PREMIUMS** - This clause applies if the Order exceeds \$150,000. The authorized overtime premium in paragraph (a) is \$0, unless otherwise specified on the face of the Order.DF-1 Rev. 11/10 18

52.229-10 **STATE OF NEW MEXICO GROSS RECEIPTS AND COMPENSATING TAX** – Applicable if the Order is for services to be performed in whole or in part within the State of New Mexico and if the Order directs or authorizes the Seller to acquire tangible personal property as a direct cost under the Order and title to such property passes directly to and vests in the United States upon delivery of the property.

52.232-20 **LIMITATION OF COST**

52.232-22 **LIMITATION OF FUNDS** – This clause applies only if the Order is incrementally funded.

52.242-3 **PENALTIES FOR UNALLOWABLE COSTS** – This clause applies if the Order exceeds \$700,000, except fixed-price orders.

52.243-2 **CHANGES - COST REIMBURSEMENT (ALTERNATE II)** – Alternate II is applicable if the requirement is for services and supplies are to be furnished.

52.246-3 **INSPECTION OF SUPPLIES - COST REIMBURSEMENT**



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52.246-5 INSPECTION OF SERVICES - COST REIMBURSEMENT

52.249-6 **TERMINATION (COST REIMBURSEMENT)** – This clause applies except if the Order is for R&D with an educational or nonprofit institution on a no-fee basis.

52.249-14 **EXCUSABLE DELAYS: B-4 PROVISIONS APPLICABLE TO NONCOMMERCIAL TIME & MATERIAL OR LABOR HOUR ORDERS**

In addition to the General Provisions of Section A and the FAR and DFARS provisions of Section B-1, the following clauses of the FAR and DFARS are applicable if the Order is a time and material or labor-hour type.

52.232-7 **PAYMENTS UNDER TIME-AND-MATERIALS AND LABOR HOUR CONTRACTS**

52.243-3 **CHANGES – TIME AND MATERIALS OR LABOR-HOURS**

52.246-6 **INSPECTION - TIME-AND-MATERIAL AND LABOR-HOUR**

52.249-6 **TERMINATION (COST REIMBURSEMENT)** – This clause is applicable unless the Order is for R&D with an educational or nonprofit institution on a no-fee basis.

52.249-14 **EXCUSABLE DELAYS**

10. COMPLIANCE WITH AUTHORITY: Seller agrees to comply with all laws, orders, rules, ordinances, codes and regulations of any governmental body applicable to it, and shall furnish MACHINISTS INC. such evidence of compliance as MACHINISTS INC. may require at any time and from time to time. If Seller fails to comply with the above laws, orders, rules, ordinances, codes and regulations and as a result MACHINISTS INC. is held liable for such Seller's failure by the applicable regulatory body or a court of law, then at MACHINISTS INC.'s sole discretion, Seller shall either pay fines, damages and/or other costs incident thereto or reimburse MACHINISTS INC. for the payment of same.

11. PATENT AND OTHER INFRINGEMENT: Seller shall indemnify MACHINISTS INC. and hold it harmless from and against any and all loss, liability or expense by reason of any claim or suit for alleged infringement of any copyright, trademark, patent, trade secret or other intellectual property resulting from or arising in connection with the manufacture, sale, normal use or other normal disposition of any Material furnished hereunder, or the performance of any work hereunder, and shall defend any such claim or suite and pay all costs and expenses incidental thereto; but at its option MACHINISTS INC. shall have the right to participate in the defense of any such claim or suit without relieving Seller of any obligations hereunder.

12. INDEMNITY: Seller shall indemnify and hold harmless MACHINISTS INC. and its parent and subsidiary companies and their respective employees, officers, directors, authorized representatives and stockholders from all claims, costs, liabilities, judgments, expenses, damages or losses resulting from any injury to property or persons due to any act, omission or negligence of Seller, its agents, employees or contractors or arising out of Seller's performance of this Order, or arising out of any breach or alleged breach of this Order or any representation or warranty made by Seller, its agents, employees or contractors.

13. ASSIGNMENT: Neither this Order nor any claim against MACHINISTS INC. arising directly or indirectly out of, or in connection with, this Order, shall be assignable by Seller or by operation of law, nor shall Seller subcontract any obligations hereunder without the prior written consent of MACHINISTS INC..



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14. DEFAULT: If Seller or its agents, employees or contractors breaches any provision hereof, MACHINISTS INC. shall have the right (without limiting any other rights or remedies which it may have hereunder or by operation of law) to terminate this Order upon written notice to Seller. MACHINISTS INC.'s right to terminate this Order pursuant to this section shall not affect or be a waiver of any other rights and remedies MACHINISTS INC. may have in this Order or which may survive the termination of this Order. MACHINISTS INC.'s right to require performance of any obligation hereunder shall not be affected by any previous waiver, forbearance or course of dealing by MACHINISTS INC. . Time is of the essence for this Order.

15. LIENS: Before final settlement of Seller's obligations and payment by MACHINISTS INC., Seller shall satisfy MACHINISTS INC. of the payment and release of all debts, taxes, liens, claims, charges and obligations of Seller arising by operation of law, or otherwise, out of Seller's performance of this Order. MACHINISTS INC. may withhold without interest funds due Seller hereunder or otherwise sufficient to assure itself of the discharge of all such obligations, or to satisfy any provisions of law relating to any claims it may have against Seller arising from this Order.

16. CONTRACTS: This Order and its general terms and conditions shall be subject to contracts between Seller and MACHINISTS INC. with respect to Materials covered in such Order and in such contracts only as specified on the front side of this Order and the terms and conditions of such contracts shall not supersede this Order and its General Terms and Conditions regarding such Materials unless so specified on the front of this Order. If there is a conflict between any term or condition of such contract and any term or condition of this Order, the affecting term or condition of this Order shall prevail unless it is explicitly specified to the contrary on the front side of this Order.

17. WARRANTIES:

(a) Seller shall observe, comply with and afford MACHINISTS INC. all applicable Uniform Commercial Code warranties contained in the Massachusetts General Laws, and Seller hereby acknowledges that MACHINISTS INC. does not waive any of such warranties. This Order shall be interpreted in accordance with the laws of the Commonwealth of Massachusetts and in accordance with its fair meaning and not strictly against either party.

(b) If any goods specified in this Order include equipment and/or software which is date dependent in its function in any fashion (Date-Dependent or Shelf-Life Limited Material), Seller represents and warrants that such Material will process dates correctly prior to, during and after the calendar year 2000. This shall include but not be limited to century recognition, calculations that accommodate same-century and multi-century formulas, and date and interface values that reflect the century. If Seller becomes aware that the equipment or software may not or does not process correctly data containing any date subsequent to the year 1999, Seller shall immediately so notify MACHINISTS INC. and promptly correct or replace the material, equipment or software to eliminate such problem. If Seller fails to correct or replace any Date-Dependent Material that does not meet the foregoing warranty within a reasonable period, MACHINISTS INC. shall have the option of returning such Material (at Seller's expense) and receiving a full refund of all amounts paid for the equipment and software by MACHINISTS INC..

18. NOTICE: All notices given hereunder shall, unless otherwise specifically provided, be given in writing, by personal delivery, mail, electronic mail, or facsimile transmission at the respective addresses of Seller and MACHINISTS INC. set forth in this Order, unless either party at any time or times designates another address for itself by notifying the other party thereof by certified mail, in which case all notices to such party shall thereafter be given at its most recently so designated address. Notice given by mail shall be deemed given on the date of mailing thereof with postage prepaid. Notice given by electronic mail or facsimile transmission shall be deemed given upon receipt thereof by the recipient.



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19. CONSENT TO JURISDICTION: Any action to enforce, arising out of, or relating in any way to, any of the provisions of this contract maybe brought and prosecuted in such court or courts located in Washington State as is provided by law; and the parties consent to the jurisdiction of said courts located in Washington State and to service of process by registered mail, return receipt requested, or by other manner provided by law.

20. SEVERABILITY: In case one or more of the provisions contained in this contract should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby.

21. HEADINGS: Heading in the contract are for purposes of reference only and shall not limit or affect the meaning hereof.

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