USC PURCHASING AGREEMENT

This USC Purchasing Agreement ("Agreement") is made and entered into as of the 1st day of July, 2011, ("Effective Date") by and between American Relocation & Logistics, Inc. ("Supplier"), located at 13565 Larwin Circle, Santa Fe Springs, CA 90670 and the University of Southern California on behalf of its Purchasing Services Department located at 3500 South Figueroa Street, Suite 210, Los Angeles, CA 90089-8015 ("University"). Supplier agrees to provide moving services under the following business terms and conditions:

1. LICENSES / PERMITS / INSURANCE. Supplier agrees that during the course of this Agreement, it will maintain those industry licenses and permits identified in Attachment A. Additionally, Supplier agrees that during the course of this Agreement, it will maintain those insurances specified in the University’s Purchase Order Terms and Conditions (Attachment E).

2. PRICES / SERVICES. Supplier agrees to provide the above goods and service at the prices or discount rates identified in Attachment B. If a fixed price for a good or service is provided, the price shall remain fixed for the first term of this agreement. Price increases for subsequent terms may not exceed increases to the Consumer Price Index (CPI) for the for the two (2) annual renewal periods, unless Supplier can demonstrate that additional increases are warranted and the University agrees to such increases.

3. CUSTOMER LOCATIONS. University locations which Supplier agrees to service are set forth in Attachment C. University locations may be revised from time to time upon mutual written agreement.

4. PREFERRED RELATIONSHIP. University acknowledges and agrees that in exchange for the favorable pricing and special service offerings being made available to the University by Supplier, University agrees to designate Supplier as a preferred contract supplier for the University. The University does not guarantee Supplier any specific volume under the terms of this non-exclusive Agreement. However, the University will designate Supplier as a preferred contract supplier on Purchasing Services’ web site, and representatives in Purchasing Services will provide promotional opportunities to Supplier that are not available to non-contract suppliers.

5. ACCOUNT MANAGER AVAILABILITY. Supplier shall assign an Account Manager who shall be available at all reasonable times during business hours to review all questions or issues which a representative in Purchasing Services or a university customer may have.

6. TERM AND EXTENSIONS. This Agreement will be effective for a period of one year (1) (the “Initial Term”) from the date set forth above. The Agreement shall be subject to two (2) one year renewal terms (each a “Renewal Term”), under the same terms and conditions set forth herein.
7. **TERMINATION FOR CONVENIENCE.** Either party may terminate this Agreement without cause and without penalty by giving sixty (60) days written notice to the other party.

8. **TERMINATION FOR BREACH OR DEFAULT.** If either party shall default in the performance of or breach any of its obligations specified in this Agreement, the non-defaulting party shall give written notice to the other party, specifying the nature of the default and, if such default is not remedied or substantial efforts are not made to remedy such default within fifteen (15) days from receipt of such notice, then the non-defaulting party shall have the right, at its option, either to suspend the performance of its obligations under this Agreement until such default is remedied or to terminate this Agreement immediately upon written notice.

   In addition, if any party defaults in the performance of or breaches any provision of this Agreement more than twice during any twelve (12) month period (whether the breach is the same or different), and notice of the default has been provided by the non-defaulting party, then the other party shall have the right to terminate this Agreement immediately upon written notice to the other party hereto.

   Moreover, the University shall have the right to terminate this Agreement immediately upon written notice to Supplier if Supplier engages in any conduct or practice which in the University’s sole judgment is detrimental to the good name, goodwill or reputation of the University, or any department or school therein. Termination under this provision or any provision of this Agreement shall not relieve or release either party from any rights, liabilities or obligations which it has accrued prior to the date of such termination.

9. **TERMINATION FOR BANKRUPTCY.** Either party may terminate this Agreement immediately by written notice to the other party in the event that the other party makes an assignment for the benefit of creditors; or admits in writing inability to pay debts as they mature; or a proceeding is instituted under any provision of the governing bankruptcy codes and is acquiesced in or is not dismissed within thirty (30) days.

10. **SERVICE OPTIMIZATION ANNUAL REVIEW.** Upon the University’s request, Supplier’s Account Manager shall meet with the University on a quarterly basis in order to review and, if appropriate, make recommendations concerning the ordering, delivery, and execution systems and procedures performed under this Agreement.

11. **NOTICES.** All notices, requests, demands and other communications under this Agreement shall be given in writing. Such notices shall be deemed to have been given when delivered in person or three (3) business days after being sent via certified mail or upon delivery if sent via overnight delivery service and addressed to the appropriate party at its mailing address set forth below:

   If to Supplier: American Relocation & Logistics, Inc.
   13565 Larwin Circle
   Santa Fe Springs, CA 90670
   Randy Henry
12. **PAYMENT TERMS.**

Supplier agrees that invoices paid by university checks are disbursed via electronic funds transfer (EFT/ACH). Prior to the commencement of this Agreement, Supplier agrees to provide the University with a fully executed Electronic Deposit Authorization Form (www.usc.edu/dc/eftform) if requested.

University agrees to pay invoices within thirty (30) days from the date received by Accounts Payable. Initial here if Supplier wishes to offer the University or approved installer a prompt payment discount on invoices paid in less than 30 days:

Supplier Initials: ____  Discount: ____ %

Supplier agrees to provide a valid purchase order number on all invoices submitted for payment if submitted directly to the University. All invoices must be mailed to:

USC Accounts Payable  
PO Box 77967  
Los Angeles, CA 90007

13. **PURCHASE ORDER TERMS AND CONDITIONS.** Supplier acknowledges that this Agreement is subject to the University’s Purchase Order Terms and Conditions (www.usc.edu/purchasing/documents), except where expressly noted otherwise.

The parties hereto have as of the date set forth above hereunto set their hands and seals:

American Relocation & Logistics, Inc. 

By: Robert Lechich

Name: Robert Lechich 
Title: Chief Financial Officer
Date: 4/28/11

THE UNIVERSITY OF SOUTHERN CALIFORNIA

By: 

Name: John Ostrowski 
Title: Assistant Director, Purchasing
Date: 6.29.11
ATTACHMENT A
Industry Licenses and Permits
ATTACHMENT B
Service and Discounted Price Lists

The purpose of agreement is to provide moving services for tenant improvement projects at the University. The University shall award multiple moving contracts.

Shipping Terms: FOB USC Jobsite

Payment Terms: Net 30

Volume Discounts: On a project bid basis

Price Escalation: Supplier will hold moving services pricing for a one year period.

The University reserves the right to bid any project at any dollar amount if it feels there will be an advantage to the University.

The Supplier shall provide moving services in accordance with the following price list.
American Relocation & Logistics, Inc.
Bid Contact
rhenry@american-moving.com
Ph 562-229-3632
Fax 562-926-0540
Supplier Code 275036
Qualifications S VOSB

<table>
<thead>
<tr>
<th>Item #</th>
<th>Line Item</th>
<th>Notes</th>
<th>Unit Price</th>
<th>Qty/Unit</th>
<th>Total Price</th>
<th>Attech.</th>
<th>Docs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1106-024-01-01</td>
<td>MIN RATE FOR TWO MEN, EQUIPMENT AND GAS</td>
<td>Supplier Notes: this rate is based on 1 truck and 2 men including fuel per hour</td>
<td>First Offer - $79.00</td>
<td>1 / lump sum</td>
<td>$79.00</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>1106-024-01-02</td>
<td>RATE FOR TWO MEN FOR 8 HOURS, EQUIPMENT AND GAS</td>
<td>Supplier Notes: This rate is based on 1 truck 2 men for 8 hours including fuel.</td>
<td>First Offer - $632.00</td>
<td>1 / lump sum</td>
<td>$632.00</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>1106-024-01-03</td>
<td>RATE FOR FOUR MEN FOR 8 HOURS, EQUIPMENT AND GAS</td>
<td>Supplier Notes: This rate is based on 1 truck 4 men for 8 hours including fuel.</td>
<td>First Offer - $1,032.00</td>
<td>1 / lump sum</td>
<td>$1,032.00</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>1106-024-01-04</td>
<td>OFF SITE STORAGE RATE PER SQUARE FOOT PER DAY</td>
<td>Supplier Notes:</td>
<td>First Offer - $0.02</td>
<td>1 / square foot</td>
<td>$0.02</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>1106-024-01-05</td>
<td>PURCHASE AND DELIVER OF MOVING BOXES</td>
<td>Supplier Notes:</td>
<td>First Offer - $1.40</td>
<td>1 / each</td>
<td>$1.40</td>
<td>Y</td>
<td></td>
</tr>
</tbody>
</table>
ATTACHMENT C
University Locations

Please cross off any locations you are unable to service:

- University Park Campus, including all of its satellite facilities
- Health Sciences Campus, including all of its satellite facilities
- Marina Del Rey Campus
- Orange County Campus
- Santa Barbara
- Sacramento
ATTACHMENT D
Sustainability Plan

Please attach a copy of your company’s sustainability initiatives here. If your company does not currently have a sustainability plan, please indicate NONE.
ATTACHMENT E
USC Purchase Order Terms and Conditions
1. **GENERAL PROVISIONS INCORPORATED INTO ALL PURCHASE ORDERS**

1.1. **ACCEPTANCE.**

By fulfilling a University of Southern California (USC) Purchase Order (Order), Seller agrees to furnish the items or services covered by this Order and to be bound by and to comply with these Order Terms and Conditions, including all particulars. Seller should not fulfill Orders from the university without either a Purchase Order Number or without a USC corporate card number.

Written acceptance (including, but not limited to, signature on this Order or any related proposal, addendum, or agreement) or shipment of all or any portion of the items or the performance of all or any portion of the items or services covered by this Order shall constitute unqualified acceptance of the Order Terms and Conditions.

No other terms or conditions shall be binding upon the parties, unless such terms and conditions have expressly been agreed to in a separate written agreement or addendum that has been signed by both parties.

These **Order Terms and Conditions** shall prevail should any contradiction arise between any terms and conditions provided by the Seller. The terms and conditions of any proposal referred to in this Order are included and made part of the Order only to the extent of specifying the nature of the items or services ordered, the price thereof and delivery date, and then only to the extent that such terms are consistent with these Order Terms and Conditions.

1.2. **PAYMENTS AND INVOICES.**

Upon receipt of an invoice that references a USC or University Hospital Purchase Order Number, payment by USC to the Seller will be in the form of a University of Southern California check, electronic funds transfer, foreign draft, wire transfer or corporate card number, depending on which form of payment has been requested by the Seller. If a corporate card number is being used as payment, Seller agrees that no service charges will be applied to the Order.

Seller shall be responsible for Invoicing USC for services rendered or goods received. Invoices without a Purchase Order Number will not be accepted.

Payment shall be made by USC within thirty (30) days after USC's receipt of each invoice which certifies the occurrence of each event and USC's acceptance of the goods received and/or services rendered.

**USC Accounts Payable** will only pay Orders from an itemized invoice. An invoice is a supplier-generated document that should include all of the following:

- Bill to USC
- Ship To USC
- Purchase Order Number
- Itemized Order Details
- Supplier Name
- Date of Invoice
- Mailing Address of Supplier

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University of Southern California, Business Services, Purchasing Services UGB 210 Los Angeles, CA 90089-8015.
Tel: (213) 740-9794; Fax: (213) 740-9797 www.usc.edu/purchasing

Forms PO Terms and Conditions (Rev. 11-2009)
USC is not responsible for paying invoices that are dated more than 60 days after services were rendered or goods were received. Sellers are responsible for issuing invoices to USC in a timely manner to ensure payment.

To ensure prompt payment, invoices associated with USC Purchase Order should be mailed by the Seller directly to USC Accounts Payable.

USC Accounts Payable
P.O. Box 77967
Los Angeles, CA 90007

To ensure prompt payment, facilities and construction invoices (Purchase Order Numbers that begin with the letter "F") should be mailed by the Seller directly to USC Facilities Purchasing.

USC Facillties Payment Processing
3434 South Grand Avenue, Suite 140
Los Angeles, CA 90007-3161

To ensure prompt payment, hospital invoices (Purchase Order Numbers that begin with "0363" or "0314") should be mailed by the Seller directly to USC University or Norris Cancer Hospitals Accounts Payable.

University Hospital Accounts Payable
P.O. Box 3322
Los Angeles, CA 90033

1.3. SALES TAX

USC is NOT sales tax exempt. Sellers are required to charge the university sales tax on taxable items, and must identify sales tax on all invoices. Most items are delivered to Los Angeles and are subject to the current Los Angeles city sales tax. However, USC operates locations throughout California and in other States. Sellers should reference the delivery address and apply the sales tax amount for the applicable city.

1.4. SHIPPING INSTRUCTIONS.

Shipments, if applicable, must be made as specified on the face of the Order unless subsequently modified in writing by USC.

Seller shall load and secure the shipment, if applicable, of the materials to comply with all trade rules and regulations and to ensure sufficient protection to prevent damage to such materials.

1.5. DELIVERY.

All goods and/or services are to be provided in a timely manner, and to the reasonable satisfaction of USC. In the event of a delay in delivery, such delay must be communicated to USC, who shall have the option of canceling all or part of the subject Order without liability.
1.6. RISK OF LOSS.

Seller assumes the risk of, and shall be responsible for, any loss or damage to the materials, and all portions thereof, until the materials have been accepted by USC.

1.7. WARRANTIES.

In addition to any express warranties Seller may make, Seller warrants the articles delivered hereunder to be free from defects in labor, material and manufacture, and to be in compliance with any drawings of specifications incorporated or referenced herein and with any samples furnished by the Seller. All warranties shall run to USC, its successors, transferee or subcontractor.

1.8. WARRANTY AGAINST ACCESS TO DATA, SYSTEMS, OR USE OF HARMFUL CODE

Seller represents and warrants that the products and services provided to USC shall not run any process, audit, or the like, that collects, retrieves, extracts or otherwise provides access to USC’s data, system information, or the like, by Seller, without USC’s prior written consent.

Seller further represents and warrants that the products and services provided to USC shall contain no computer instructions, circuitry or other technological means whose purpose or effect is to disrupt, damage, extract information from or interfere with USC’s computers, communications facilities or equipment and their use (“Harmful Code”), and Seller will prevent the introduction of such Harmful Code to its products and services prior to delivery to USC.

“Harmful Code” shall include, without limitation, any code containing viruses, Trojan horses, worms or like destructive code or code that self-replicates.

1.9. DISCOUNT DATE.

The date for calculation of any applicable fast-pay discount offered by the Seller and provided for on the face of this Order is (i) the date material is received, (ii) the date material is scheduled to be received under the Order, or (iii) the date an acceptable invoice is received, whichever is later. Where such date falls within the first 15 days of any month, discount will be taken when payment is made by the 25th of said month. Where such date falls after, discount will be taken when payment is made by the 10th of the following month.

1.10. INSPECTION.

All work performed and all deliverable items are subject to inspection and acceptance at destination notwithstanding any payments or inspection at source. Final inspection and acceptance shall be conclusive except as to latent defects, fraud, such as gross mistakes as amount to fraud, and the Seller’s warranty obligations. Supplies to be furnished hereunder shall be subject to inspection by USC and/or government inspectors upon the premises of the Seller.

1.11. ASSIGNMENT.

This Order is assignable by USC. This Order is not assignable by Seller without prior written approval from USC. In case such consent is given, it shall not relieve Seller from any of the obligations of this Order and any transferee or subcontractor shall be considered the
agent of Seller and, as between the parties hereto, Seller shall be and remain liable as if no such transfer or subletting had been made.

1.12. CHANGES.

USC may make changes within the general scope of this Order by giving written notice to Seller. If such changes affect the cost of or the period of performance of this Order, an equitable adjustment shall be made with Seller’s written claim for adjustment within thirty (30) days of the receipt of notification of such change. No change by Seller shall be recognized without written approval of USC.

1.13. LABOR DISPUTES.

Seller shall give prompt notice to USC of any actual or potential labor dispute which delays or may delay timely performance of this Order.

1.14. TERMINATION AND DELAYS.

USC may by written notice stating the extent and effective date terminate this Order for convenience at any time and without penalty to USC. USC shall pay Seller as full compensation for performance until the termination for convenience: (i) the unit or pro rata Order price for the delivered and accepted portion; and (ii) a reasonable amount, not otherwise recoverable from other sources by Seller with respect to the undelivered or unaccepted portion of this Order, provided compensation hereunder shall in no event exceed the total Order price.

USC may by written notice terminate this Order for Seller’s default, at any time and without penalty to USC, if Seller refuses or fails to comply with the provisions of this Order, or fails to make deliveries within the time specified or any written extension thereof. If after notice of termination for default, USC determines that failure to perform this Order is due to causes beyond the control and without the fault or negligence of the Seller, or if such delay is due to failure of USC, not caused or contributed to by Seller, USC may extend the time for completion of this Order, or termination shall be deemed for the convenience of USC.

The rights and remedies of USC provided in this Section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Order.

1.16. LIABILITY FOR USC FURNISHED PROPERTY.

Seller assumes complete liability for any tooling, articles or material furnished by USC to Seller in connection with this Order and Seller agrees to pay for all such tooling, articles or material spoiled by USC or not otherwise accounted for to USC’s satisfaction. The furnishing to Seller of any tooling, articles, or material in connection with this Order shall not unless otherwise expressly provided, be construed to vest title thereto to Seller.

1.18. AFFIRMATIVE ACTION.

During the performance of this Order, the Seller agrees to adhere to the principals set forth in Executive Orders 11246 and 11375. The Seller will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Seller will take affirmative action to insure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin.
1.17. INDEMNIFICATION FOR INFRINGEMENT OF PROPRIETARY RIGHTS.

If any action or proceeding brought against USC is based on a claim of patent, copyright, trademark, trade secret or other proprietary right infringement arising out of USC's purchase or use of the materials and, if USC promptly notifies Seller in writing of any such action or proceeding, Seller shall, at its own expense, do the following to assure continuation of USC's use of the material:

A. Defend such action or proceeding and indemnify and hold harmless USC, its officers, agents, employees, and assigns, from and against any and all liability, and pay all damages and costs, losses, claims, demands, attorney's fees and expenses arising out of such action or proceeding.

B. Procure for USC the right to continue to use the materials, or any part thereof, affected by such action or proceeding; or replace or modify, as approved by USC, the materials, or any portion thereof, such that the infringement is removed. The warranty provisions set forth in this Order shall apply to such replaced or modified materials.

1.18. INDEMNIFICATION.

Seller agrees to forever indemnify, defend and save harmless USC from and against, and to waive any and all claims against USC for any and all claims, suits and demands of liability, loss or damage whatsoever, including attorneys' fees, whether direct or consequential, on account of any loss, injury, death or damage to any person or persons or property (including without limitation all agents and employees of Seller and USC and all property owned by, leased to or used by either Seller or USC or both) or on account of any loss or damages to business or reputations or privacy of any persons, arising in whole or in part in any way from Seller's performance hereunder or in any way connected therewith or in any way related thereto. Excluded from the above Indemnity and waiver provisions are any such claims, suits and demands of liability, loss or damage resulting solely from USC's gross recklessness, active negligence or willful intent to injure. 'USC' shall be deemed to include University of Southern California and its Trustees, Directors, officers, employees, faculty, students, agents, affiliated organizations and their insurance carriers, if any.

1.19. INSURANCE.

Unless more specific insurance provisions are stipulated in an agreement, such as, but not limited to, agreements for construction, maintenance, facilities, transportation, and architecture, a seller performing work at or for the university will be required to maintain the charted insurance coverage at the seller's own expense. It is the seller's responsibility to ensure that the required insurances remain in effect for the entire duration of the awarded contract or order. If requested by the university, it will be the seller's full responsibility to provide the university with evidence of the required insurances.
## Insurance Type | Corresponding Insurance Details
---|---
Workers' Compensation | Workers’ compensation insurance with statutory limits if required to do so by California State law. If the Seller is self-insured for Workers' Compensation, the Seller will maintain a certified copy of the "Certificate of Consent to Self-Insure" issued by the State of California, 1.7.2 Department of Industrial Relations.

Comprehensive General Liability | Comprehensive General Liability coverage for death, bodily injury, and property damage, including products liability, with limits of no less than $1,000,000 per occurrence.

Automobile Liability Insurance | Automobile Liability coverage of $1,000,000 each occurrence, if the seller drives on campus property using a company car.

Additional Insured | Comprehensive General Liability and Automobile Liability Certificates must name the University of Southern California as an additional insured. Such insurance shall waive any right of subrogation against USC and shall specifically cover Seller's obligations to defend, indemnify and hold USC harmless as provided herein.

1.20. WAIVER.

The failure of USC to enforce at any time any of the provisions of these Order Terms and Conditions, or to exercise any option herein provided, or to require at any time performance by the Seller of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of this Order or any part thereof, or the right of USC thereafter to enforce each and every such provision.

1.21. COMPLIANCE WITH ALL LAWS AND REGULATIONS; PERMITS.

A. The goods and/or services provided pursuant to this Order shall comply with all applicable safety and federal and state regulations in effect at the time of delivery. In addition, the goods / and/or services provided pursuant to this Order shall have been performed in compliance with the Fair Labor Standards Act, as amended, and regulations and Orders of the U.S. Department of Labor issued thereunder. By accepting this Order, Seller agrees that it complies with the Act.

B. In performing any services at USC's facility, Seller shall comply with all applicable laws, ordinances, rules and regulations including federal, state and municipal authorities and departments, including but not limited to the Occupational Safety and Health Act ("OSHA") and any laws, ordinances, rules and regulations concerning the provision or serving of food and beverages, including alcohol (if applicable), and shall secure and obtain any and all permits, licenses and consents as may be necessary in connection therewith. Seller shall furnish to USC copies of said licenses and permits prior to the commencement of the services.
C. During its provision of services, Seller shall comply with all of USC's safety procedures. Seller shall at all times keep USC's premises free from accumulations of waste material or rubbish. Upon completion of the services, Seller shall leave the site in a condition satisfactory to USC.

D. Seller shall be responsible for all damages to persons or property that occur during its performance of this Order or arising out of its acts or omissions. Seller shall take proper safety precautions to protect the work, employees of the Seller and USC, the public and the property of others.

1.22. INDEPENDENT SELLERS.

In all matters relating to this Order, the Parties herein shall be acting as Independent Sellers. Neither the Seller, nor any of the persons furnishing materials or performing work or services which are required by this Order, are employees of USC within the meaning of or the application of any Federal or State Unemployment Insurance Laws, or Social Security Laws or any Worker's Compensation, Industrial Accident Laws, or other Industrial or Labor Laws.

1.23. PATENT INDEMNITY.

Seller shall pay all royalty and license fees relating to the items covered hereby. In the event any third party shall claim that the manufacture, use and sale of these goods constitute infringement of any copyright, trademark or patent, the Seller shall indemnify USC and hold USC harmless from any cost, expenses, including legal defense, damage or loss incurred in any manner by USC on account of any such alleged infringement.

1.24. PRIVACY AND SECURITY AGREEMENT (HIPAA)

To be in compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Seller agrees to submit to the University a signed Privacy and Security Agreement if the Seller uses or discloses individually identifiable health information. The Privacy and Security Agreement can be downloaded with submittal instructions from: www.usc.edu/purchasing/forms.

1.25. STARK II FORM

To ensure that Seller complies with federal laws that disallow specific types of financial arrangements to exist between physicians and entities that provide certain health care services, Sellers providing goods and/or services to a USC healthcare unit are required to complete a Stark II Form. The Stark II Form is incorporated into the Supplier Application (for new Sellers) or downloadable from Purchasing Services website: www.usc.edu/purchasing/forms.
1.26. CONFIDENTIALITY AND INTELLECTUAL PROPERTY.

CONFIDENTIAL INFORMATION: While fulfilling this Order, Seller may have access to USC's internal records, systems and methods of operating its business, trade secrets, customer lists, price lists, contract information and other confidential or proprietary information. Seller agrees that all such information is the exclusive property of USC, irrespective of whether such information was created or prepared by the Seller or others. Seller further agrees that Seller will not, at any time, in any manner, directly or indirectly, disclose such information to any person or entity, or use such information other than in furtherance of the purposes of USC. Upon termination of this Order, Seller will deliver to USC all property of USC, including any written memorial or, documents relating to, the information described above, in whatever manner maintained or stored. The Parties agree that this Paragraph shall survive the termination of this Order.

INTELLECTUAL PROPERTY: Seller expressly acknowledges and agrees that all discoveries, inventions, processes, designs, plans, and trade secrets, whether of a technical nature or not, made or developed by Seller alone or in conjunction with any other person or entity while acting under this Order ("Intellectual Property"), shall be the sole and exclusive property of USC and USC may use and reuse Intellectual Property, in whole or in part, in all media, whether now or later existing, throughout the universe, in perpetuity, including but not limited to the exclusive right to reproduce, perform and exploit the Intellectual Property, and all information regarding Intellectual Property, concurrent with the discovery or development of the Intellectual Property. If the Intellectual Property or the results and proceeds thereof constitute "works of authorship" within the scope of the U.S. Copyright Law, the foregoing shall be deemed "works for hire" and USC shall be considered the sole author and owner of all rights comprised in the copyright and/or patent thereof and shall have the exclusive right to seek patent and/or copyright protection in USC's name. In the event that any Intellectual Property does not constitute "works for hire," Seller hereby assigns all rights thereto exclusively to USC for any and all purposes of USC. At all times during its Term and after the termination of the Agreement, Seller shall assist USC in obtaining and maintaining, for USC's benefit, copyrights and other relevant legal protections in such materials and Seller shall execute and cause its sub-sellers to execute such further instruments as USC may reasonably require as evidence of ownership of such rights. Seller agrees that he/she will not use or disclose any Intellectual Property owned by USC without the express written permission of USC.

1.27. CALIFORNIA NONRESIDENT TAX WITHHOLDING.

Payments made to Sellers providing a service that do not have a permanent place of business in the state of California or that are not qualified through the Office of the Secretary of the State to do business in California are subject to seven percent (7%) state income tax withholding (California Revenue and Taxation Code Section 18662).

Types of income subject to withholding include; but are not limited to, payments for services performed in California and payments of leases, rents and royalties for property (real or personal) located in California.
No withholding is required on payments for goods. California non-residents that are exempt must complete California Withholding Exemption Certificate, Form 960 (www.usc.edu/dissbursement) in order to exempt California non-residents from this seven percent income tax withholding. This Certificate needs to be submitted with the first invoice to USC.

The California Franchise Tax Board may reduce the withholding if the seven percent will result in substantial over-withholding or waive the withholding if the payee has a current history of filing California returns and/or making estimated payments when due. For more information or to request a waiver or reduced withholding rate, contact:

Non Resident Withholding Section MS F F-285 California Franchise Tax Board

| P.O. Box 651 | Telephone: (916) 845-4900 |
| Sacramento, CA 95812-0651 | Fax: (916) 845-4831 |

1.28. OTHER APPLICABLE LAWS.

Any provision required to be included in a contract or subcontract of this type by any applicable and valid federal, state or local statute, act, Executive Order, law, ordinance, rule or regulation shall be deemed to be incorporated herein, including Occupational Health and Safety Act and Equal Employment Opportunity (41 CFR Part 60).

1.29. GOVERNING LAW AND DISPUTE RESOLUTION.

The laws of the State of California shall govern this Order in all of its aspects, including execution, performance, interpretation and enforcement.

All disputes arising under or in connection with this Order shall be submitted to Judicial Arbitration and Mediation Services, Inc. ("JAMS") or successor organization for binding arbitration in Los Angeles County by a single arbitrator who shall be a former California Superior Court Judge. The arbitrator shall be selected by JAMS in an impartial manner determined by it. Except as may be otherwise provided herein, the arbitration shall be conducted under the California Arbitration Act, Code of Civil Procedure 1280 et seq. The Parties shall have the discovery rights provided in Code of Civil Procedure 1283.06 and 1283.1. The arbitration hearing will be commenced within 180 days of the filing of this application with JAMS by any Party hereto, and a decision shall be rendered by the arbitrator within 30 days of the conclusion of the hearing. The arbitrator shall have complete authority to render any and all relief, legal and equitable, appropriate under California law and this Order. The arbitrator shall award costs of the proceeding, including reasonable attorney's fees, to the Party determined to have substantially prevailed.

1.30. FORCE MAJEURE.

Neither the Seller nor the University shall be liable for any failure to perform its obligations under this Order if prevented from doing so by a cause or causes beyond either party's control. Without limiting the generality of the foregoing, such causes include Acts of God, or the public enemy, fires, floods, storms, earthquakes, riots, war or war operations, restraints of governments of other cause or causes which would not with reasonable diligence be controlled or prevented by the party.
1.31. LIMITATION OF LIABILITY.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT WILL USC BE RESPONSIBLE FOR ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES OF ANY KIND, INCLUDING DAMAGES FOR LOST GOODWILL, LOST PROFITS, LOST BUSINESS OR OTHER INDIRECT ECONOMIC DAMAGES, WHETHER SUCH CLAIM IS BASED ON CONTRACT, NEGLIGENCE, TORT (INCLUDING STRICT LIABILITY) OR OTHER LEGAL THEORY, AS A RESULT OF A BREACH OF ANY WARRANTY OR ANY OTHER TERM OF THIS AGREEMENT, AND REGARDLESS OF WHETHER THE PARTIES WERE ADVISED OR HAD REASON TO KNOW OF THE POSSIBILITY OF SUCH DAMAGES IN ADVANCE.

2. PROVISIONS INCORPORATED INTO ALL GRANT AND COOPERATIVE PURCHASE ORDERS

2.1. ACCEPTANCE.

If this Order is a purchase under a U.S. Government Grant and Cooperative Agreement, the applicable clauses listed below are incorporated into and form a part of these Order Terms and Conditions. In the event of any conflict between this Section 2 and any other provisions of this Order, this Section 2 will prevail.

2.2. DEBARMENT AND SUSPENSION.

Seller shall fully comply with the requirements stipulated in subpart C of 45 CFR 620, entitled "Responsibilities of Participants Regarding Transactions." The recipient is responsible for ensuring that any lower tier covered transaction, as described in Subpart B of 45 CFR 620, entitled "Covered transactions," includes a term or condition requiring compliance with Subpart C. The recipient also is responsible for further requiring the inclusion of a similar term or condition in any subsequent lower tier covered transaction. The recipient acknowledges that failing to disclose the information required under 45 CFR 620.336 may result in the termination of the Order, or pursuance of other available remedies, including suspension and debarment. Recipients may access the Excluded Parties List System at http://epls.arnet.gov

2.3. AUDIT.

All negotiated contracts (except those for less than the small purchase threshold) awarded to Sellers shall include a provision to the effect that USC, the Federal awarding agency, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the Seller which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts and transactions.

University of Southern California, Business Services, Purchasing Services UGB 210 Los Angeles, CA 90089-8015.
Tel: (213) 740-9794; Fax: (213) 740-9797 www.usc.edu/purchasing

Forms PO Terms and Conditions (Rev. 11-2009)
2.4. PROVISIONS.

The following Provisions articulated in the Federal Government's OMB Circular A-110 apply to Grant and Cooperative Orders. By accepting this Order, Seller agrees to comply with these provisions.

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Davis-Bacon Act, as Amended</td>
<td>4. Contract Work Hours and Safety Standards Act</td>
</tr>
<tr>
<td>3. Rights to Inventions Made under a Contract or Agreement</td>
<td>6. Clean Air Act and the Federal Water Pollution Control Act, as Amended</td>
</tr>
</tbody>
</table>

3. PROVISIONS INCORPORATED INTO ALL GOVERNMENT SUBCONTRACT PURCHASE ORDERS

3.1. ACCEPTANCE.

If this Order is a purchase or subcontract under a U.S. Government Prime Contract, the applicable clauses listed below are incorporated into and form a part of these Order Terms and Conditions. In the event of any conflict between this Section 3 and any other provisions of this Order, this Section 3 will prevail.

The term 'FAR' means the Federal Acquisition Regulations, including revisions in effect on the date of this Order. The terms 'Contractor', 'Government', and 'Contracting Officer' as used in the clauses incorporated by this reference, shall be deemed to refer to the 'Seller', 'Buyer', and 'University of Southern California' (USC), respectively. Any reference to a 'Disputes' clause in any of the clauses listed below shall be deemed to refer to the 'Disputes' clause contained in the Prime Award. In no event shall any such reference to a 'Disputes' clause be construed to allow the Seller, without the concurrence or approval of USC, to prosecute an appeal either directly or in the name of USC, to the Contracting Officer for such Prime Award.

3.2. PROVISIONS.

The Provisions articulated in the Federal Acquisition Regulations apply to Government Subcontract Orders. By accepting this Order, Seller agrees to comply with these provisions.

Following Clauses apply regardless of dollar amount of this Order:

<table>
<thead>
<tr>
<th>Prohibition of Segregated Facilities</th>
<th>Preference for U.S. -- Flag Air Carriers</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAR 222-21</td>
<td>FAR 52.247-63</td>
</tr>
<tr>
<td>Restrictions on Certain Foreign Purchases</td>
<td></td>
</tr>
<tr>
<td>FAR 52.227-13</td>
<td></td>
</tr>
</tbody>
</table>

Additional Clauses if Order exceeds $10,000:

<table>
<thead>
<tr>
<th>Equal Employment Opportunity</th>
<th>Affirmative Action for Workers with Disabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAR 52.222-26</td>
<td>FAR 52.222-39</td>
</tr>
</tbody>
</table>
# Division of Financial and Business Services
## Purchasing Services
### Purchase Order Terms and Conditions

**Additional Clauses if Order exceeds $25,000:**

<table>
<thead>
<tr>
<th>Employment Reports of Disabled Veterans and Veterans of the Vietnam Era</th>
<th>Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAR 52.222-37</td>
<td>FAR 52.222-35</td>
</tr>
</tbody>
</table>

**Additional Clauses if Order exceeds $30,000:**

| Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended or Proposed for Debarment | FAR 52.209-6 |

**Additional Clauses if Order Exceeds $100,000:**

<table>
<thead>
<tr>
<th>Restrictions on Subcontractor Sales to the Government</th>
<th>Anti-Kickback Procedures (less paragraph (c)(1))</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAR 52.203-6</td>
<td>FAR 52.203-07</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions</th>
<th>Limitation on Payments to Influence Certain Federal Transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAR 52.203-11</td>
<td>FAR 52.203-12</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Utilization of Small Business Concerns and Small Disadvantaged Business Concerns</th>
<th>Authorization and Consent</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAR 52.219-8</td>
<td>FAR 52.227-1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notice and Assistance Regarding Patent &amp; Copyright Infringement</th>
<th>Subcontractor Cost or Pricing Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAR 52.227-2</td>
<td>FAR 52.215-12</td>
</tr>
</tbody>
</table>

**Additional Clauses if Order Exceeds $550,000:**

<table>
<thead>
<tr>
<th>Small Business Subcontracting Plan (does not apply to small businesses)</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>FAR 52.219-9</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Modifications</th>
<th>Audit &amp; Records Negotiation</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAR 52.215-13</td>
<td>FAR 52.215-02</td>
</tr>
</tbody>
</table>