



UNIVERSITY OF CALIFORNIA

Terms and Conditions

ARTICLE 1 – GENERAL. The materials, supplies or services (together, the “Services”) covered by the Agreement will be furnished by Supplier are governed by all the terms and conditions set forth herein. No other terms or conditions will be binding upon the parties unless accepted by them in writing. Written acceptance or shipment of all or any portion of the materials or supplies, or the performance of all or any portion of the services, covered by the Agreement, will constitute Supplier’s unqualified acceptance of all its terms and conditions. The terms of any proposal referred to in the Agreement are included and made a part of the Agreement only to the extent it specifies the materials, supplies, or services ordered, the price therefor, and the delivery thereof, and then only to the extent that such terms are consistent with the terms and conditions of the Agreement.

ARTICLE 2 – INSPECTION. The Services furnished will be exactly as specified in the Agreement free from all defects in Supplier’s performance, design, workmanship and materials, and, except as otherwise provided in the Agreement, will be subject to inspection and test by UC at all times and places. If, prior to final acceptance, any Services furnished are found to be incomplete, or not as specified, UC may reject them, require Supplier to correct them without charge, or require delivery of such Services at a reduction in price that is equitable under the circumstances. If Supplier is unable or refuses to correct such items within a time UC deems reasonable, UC may terminate the Agreement in whole or in part. Supplier will bear all risks as to rejected Services and, in addition to any costs for which Supplier may become liable to UC under other provisions of the Agreement, will reimburse UC for all transportation costs, other related costs incurred, or payments to Supplier in accordance with the terms of the Agreement for unaccepted Services and materials and supplies incidental thereto. Notwithstanding final acceptance and payment, Supplier will be liable for latent defects, fraud or such gross mistakes as amount to fraud.

ARTICLE 3 – CHANGES. UC may make changes within the general scope of the Agreement in drawings and specifications for specially manufactured supplies, place of delivery, method of shipment or packing of the Agreement by giving notice to Supplier and subsequently confirming such changes in writing. If such changes affect the cost of or the time required for performance of the Agreement, UC and Supplier will agree upon an equitable adjustment in the price and/or delivery terms. Supplier may not make changes without UC’s written approval. Any claim of Supplier for an adjustment under the Agreement must be made in writing within thirty (30) days from the date Supplier receives notice of such change unless UC waives this condition in writing. Nothing in the Agreement will excuse Supplier from proceeding with performance of the Agreement as changed hereunder.

Supplier may not alter or misbrand, within the meaning of the applicable Federal and State laws, the materials and supplies furnished.

ARTICLE 4 – TERM AND TERMINATION.

A. If applicable, the initial term of the Agreement (“Initial Term”) will be stated on the UC Purchase Order (“PO”) and subject to earlier termination as provided below. Following the Initial Term, the Agreement may be extended by written mutual agreement.

B. UC may, by written notice stating the extent and effective date thereof, cancel and/or terminate the Agreement for convenience in whole or in part, at any time. UC will pay Supplier as full compensation for performance until such termination:

(1) the unit or pro rata Agreement price for the performed and accepted portion; and

(2) a reasonable amount approved by UC that Supplier may not otherwise recover from other sources, with respect to the unperformed or unaccepted portion of the Agreement, provided compensation under this Article will in no event exceed the total Agreement price.

C. UC may by written notice terminate the Agreement for Supplier’s default, in whole or in part, at any time, if Supplier refuses or fails to comply with the provisions of the Agreement, or so fails to make progress as to endanger performance and does not cure such failure within a reasonable period of time, or fails to supply the Services within the time specified or any written extension thereof. In such event, UC may purchase or otherwise secure Services and, except as otherwise provided herein, Supplier will be liable to UC for any excess costs UC incurs thereby. If, after notice of termination for default, UC determines that Supplier was not in default or that the failure to perform the Agreement was due to causes beyond the control and without the fault or negligence of Supplier (including, but not restricted to, acts of God, acts of UC, acts of Government, fires, floods, epidemics, quarantine restrictions, freight embargoes, and unusually severe weather), termination will be deemed for the convenience of UC, unless UC determines that the Services were obtainable by Supplier from other sources in sufficient time to meet the required performance schedule.

D. If Supplier promptly requests an extension and UC determines that Supplier has been delayed in the work due to causes beyond the control and without the fault or negligence of Supplier, UC may extend the time for supplying the Services. Any extension granted will be effective only if given in writing. If UC causes the delay in supplying the Services, and Supplier does not cause or contribute to the delay, the time and price of the Agreement will be subject to change under the Changes Article. Supplier’s sole remedy in the event that a delay in supplying the Services was caused by UC, however, will be limited to any money Supplier actually and necessarily expended, solely by reason of the delay, in supplying the

Services during the period of delay. No allowance will be made for Supplier's anticipated profits.

E. UC's rights and remedies provided in this Article will not be exclusive and are in addition to any other rights and remedies provided by law or under the Agreement.

F. As used in this Article, the word "Supplier" includes Supplier and its suppliers at any tier.

ARTICLE 5 – LIABILITY FOR UC - FURNISHED PROPERTY. Supplier assumes complete liability for any tooling, articles or material furnished by UC to Supplier in connection with the Agreement and Supplier agrees to pay for all such tooling, articles or material Supplier damages, spoils or otherwise is not able to account for to UC's satisfaction. UC furnishing to Supplier any tooling, articles, or material in connection with the Agreement will not, unless otherwise expressly provided in writing by UC, be construed to vest title thereto in Supplier.

ARTICLE 6 – DECLARED VALUATION OF SHIPMENTS. Except as otherwise provided in the Agreement, all shipments by Supplier under the Agreement for UC's account will be made at the maximum declared value applicable to the lowest transportation rate or classification and the bill of lading will so note.

ARTICLE 7 – TITLE. Title to the material and supplies purchased under the Agreement will pass directly from Supplier to UC at the f.o.b. point shown, or as otherwise specified in the Agreement, subject to UC's right to reject upon inspection.

ARTICLE 8 – PAYMENT, EXTRA CHARGES. UC will pay Supplier, upon submission of acceptable invoices, for materials and supplies delivered and accepted or services rendered and accepted. UC will not pay cartage, shipping, packaging or boxing expenses, unless specified in the Agreement. Invoices must be accompanied by shipping documents or photocopies of such, if transportation is payable and charged as a separate item.

ARTICLE 9 – CHARACTER OF SERVICES. Nothing in the Agreement will create any association, partnership, joint venture or agency relationship between the parties. Supplier, as an independent contractor, will furnish all equipment, personnel and material sufficient to provide the Services expeditiously and efficiently during as many hours per shift and shifts per week and at such locations as UC may so require and designate.

ARTICLE 10 – FORCED, CONVICT, AND INDENTURED LABOR.

A. By accepting the Agreement, Supplier certifies that no foreign-made equipment, materials, or supplies furnished to UC pursuant to the Agreement will be produced in whole or in part by forced labor, convict labor, or indentured labor under penal sanction.

B. UC may impose either or both of the following sanctions on any Supplier contracting with UC who knew or should have known, when entering into the Agreement with UC, that the foreign-made equipment, materials, or supplies furnished to UC were produced in whole or in part by forced labor, convict labor, or indentured labor under penal sanction:

(1) The Agreement under which the prohibited equipment, materials, or supplies were provided may be voided at UC's option.

(2) Supplier may be removed from consideration for UC contracts for a period not to exceed one year.

ARTICLE 11 – INDEMNITY.

A. General. Supplier will defend, indemnify, and hold harmless UC, its officers, employees, and agents, from and against all losses, expenses (including, without limitation, reasonable attorneys' fees and costs), damages, and liabilities of any kind resulting from or arising out of this Agreement, including Supplier's performance hereunder, provided such losses, expenses, damages and liabilities are due or claimed to be due to the acts or omissions of Supplier, its officers, employees, agents, subcontractors, or anyone directly or indirectly employed by them, or any person or persons under Supplier's direction and control.

B. Proprietary Rights. Supplier will defend, indemnify, and hold harmless UC, its officers, employees and agents, from and against all losses, expenses (including but not limited to reasonable attorneys' fees), damages, and liabilities of any kind resulting from any judgment or proceeding in which it is determined, or any settlement agreement arising out of the allegation, that Supplier's supplying UC with the Services under the Agreement or UC's use of the Services under the Agreement constitutes an infringement of any patent, copyright, trademark, trade name, trade secret, or other proprietary or contractual right of any third party. The foregoing will not apply unless UC has informed Supplier as soon as practicable of the suit or action alleging such infringement. Supplier will not settle such suit or action without UC's consent. UC retains the right to participate in the defense against any such suit or action.

C. Products. Supplier will defend, indemnify, and hold harmless UC, its officers, employees and agents, from and against all losses, expenses (including, without limitation, reasonable attorneys' fees and costs), damages, and liabilities of any kind, for injury, death, and property damage, arising out of the dispensing or use of any of the Services. In addition to the liability imposed by law on Supplier for damage or injury (including death) to persons or property by reason of the negligence, willful acts or omissions, or strict liability of the Supplier or its agents, which liability is not impaired or otherwise affected hereby, Supplier hereby assumes liability for and agrees to save UC harmless and indemnify it from every expense, liability or payment by reason of any damage or injury (including death) to persons or property suffered or claimed to have been suffered through any act or omission of Supplier.

UC agrees to provide Supplier with prompt notice of any such claims and to permit Supplier to defend any claim or suit, and that it will cooperate fully in such defense.

ARTICLE 12 – WARRANTY. Supplier agrees that the Services furnished under the Agreement will be covered by the most favorable commercial warranties Supplier gives to any customer for the same or substantially similar supplies or services, or such other more favorable warranties as specified in the Agreement. The rights and remedies so provided are in addition to and do not limit any rights afforded to UC by any other article of the Agreement. Such warranties will be

effective notwithstanding UC's prior inspection and/or acceptance of the Services.

ARTICLE 13 – ASSIGNMENT AND SUBCONTRACTING. The Agreement is assignable by UC. Except as to any payment due hereunder, the Agreement may not be assigned or subcontracted by Supplier without UC's written approval. In case such consent is given, it will not relieve Supplier from any of the obligations of the Agreement and any transferee or subcontractor will be considered the agent of Supplier and, as between the parties hereto, Supplier will be and remain liable as if no such transfer or subcontracting had been made.

ARTICLE 14 – EQUAL OPPORTUNITY AFFIRMATIVE ACTION. Supplier will abide by the requirements set forth in Executive Orders 11246 and 11375. Where applicable, Supplier will abide by 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a), incorporated by reference with this statement: **“This contractor and subcontractor shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.”** With respect to activities occurring in the State of California, Supplier agrees to adhere to the California Fair Employment and Housing Act. Supplier will provide UC on request a breakdown of its labor force by groups as specified by UC, and will discuss with UC its policies and practices relating to its affirmative action programs. Supplier will not maintain or provide facilities for employees at any establishment under its control that are segregated on a basis prohibited by federal law. Separate or single-user restrooms and necessary dressing or sleeping areas must be provided, however, to ensure privacy.

ARTICLE 15 – FEDERAL ACQUISITION REGULATIONS – COMMERCIAL GOODS AND SERVICES. Supplier of commercial materials, supplies or services certifies and represents its compliance with the following clauses, as applicable. Supplier shall promptly notify UC of any change of status with regard to these certifications and representations. These certifications and representations are material statements upon which UC will rely:

- A. FAR 52.203-13, Contractor Code of Business Ethics and Conduct (Apr 2010);
- B. FAR 52.219-8, Utilization of Small Business Concerns (Dec 2010);
- C. FAR 52.222-04, Contract Work Hours and Safety Standards Act (July 2005);
- D. FAR 52.222-26, Equal Opportunity (Mar 2007);
- E. FAR 52.222-35, Equal Opportunity for Veterans (Sept 2010);
- F. FAR 52.222-36, Affirmative Action for Workers with Disabilities (Oct 2010);
- G. FAR 52.222-40, Notification of Employee Rights Under the National Labor Relations Act (Dec 2010);

- H. FAR 52.222-41, Service Contract Act of 1965 (Nov 2007);
- I. FAR 52.222-50, Combating Trafficking in Persons (Feb 2009);
- J. FAR 52.222-51, Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment-Requirements (Nov 2007);
- K. FAR 52.222-53, Exemption from Application of the Service Contract Act to Contracts for Certain Services-Requirements (Feb 2009);
- L. FAR 52.222-54, Employment Eligibility Verification (Jan 2009);
- M. FAR 52.226-6, Promoting Excess Food Donation to Nonprofit Organizations (Mar 2009); and
- N. FAR 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006).

In these provisions, the term "contractor" as used therein shall refer to Supplier, and the terms "Government" or "Contracting Officer" as used therein shall refer to UC. Where a purchase of items is for fulfillment of a specific U.S. Government prime or subcontract, additional information and/or terms and conditions may be included in an attached supplement. By submitting an invoice to UC, Supplier is representing to UC that, at the time of submission: (1) neither Supplier nor its principals are presently debarred, suspended, or proposed for debarment by the U.S. government (see FAR 52.209-6); (2) Supplier has filed all compliance reports required by the Equal Opportunity clause (see FAR 52.222-22); and (3) any Supplier representations to UC about U.S. Small Business Administration or state and local classifications, including but not limited to size standards, ownership, and control, are accurate and complete.

ARTICLE 16 – WORK ON UC OR GOVERNMENT PREMISES. If Services involve performance by Supplier at UC or United States Government owned sites or facilities, the following provisions will apply:

A. Liens. Supplier agrees that at any time upon request of UC, Supplier will submit a sworn statement setting forth the work performed or material furnished by subcontractors, suppliers and materialmen, and the amount due and to become due to each, and that before the final payment called for under the Agreement, will upon UC's request submit to UC a complete set of vouchers showing what payments have been made for the Services.

Supplier will:

- (1) In accordance with Article 11, indemnify and hold harmless UC, its officers, employees and agents, from and against any and all losses, expenses (including, without limitation, reasonable attorneys' fees and costs), damages, and liabilities of any kind, arising out of the services, labor and materials furnished by Supplier or its subcontractors under the Agreement, and from all laborers', materialmen's and mechanics' liens upon the real property upon which the work is located or any other property of UC;
- (2) Promptly notify UC in writing, of any such claims, demands, causes of action, or suits brought to its attention. Supplier will forward with such notification copies of all pertinent papers received by Supplier with respect to any such claims, demands, causes of action or suits and, at the request of UC will do all things and execute and deliver all appropriate documents and

assignments in favor of UC of all of Supplier's rights and claims growing out of such asserted claims as will enable UC to protect its interest by litigation or otherwise. UC will not make final payment until Supplier, if required, delivers to UC a complete release of all liens arising out of the Agreement, or receipts in full in lieu thereof, as UC may require, and if required in either case, an affidavit that as far as it has knowledge or information, the receipts include all the labor and materials for which a lien could be filed; but Supplier may, if any subcontractor refuses to furnish a release or receipt in full, furnish a bond satisfactory to UC to indemnify it against any claim by lien or otherwise. If any lien or claim remains unsatisfied after all payments are made, Supplier will refund to UC all monies that UC may be compelled to pay in discharging such lien or claim, including all costs and reasonable attorneys' fees.

B. Cleaning Up. Supplier will at all times keep UC premises where the work is performed and adjoining premises free from accumulations of waste material or rubbish caused by its employees or work of any of its subcontractors, and, at the completion of the work; will remove all rubbish from and about the building and all its tools, scaffolding, and surplus materials, and will leave the work "broom clean" or its equivalent, unless more exactly specified. In case of dispute between Supplier and its subcontractors as to responsibility for the removal of the rubbish, or if it is not promptly removed, UC may remove the rubbish and charge the cost to Supplier.

C. Employees. Supplier will devote only its best-qualified personnel to work under the Agreement. Should UC inform Supplier that anyone providing the Services is not working to this standard, Supplier will immediately remove such person from work under the Agreement and he or she will not again, without UC's written permission, be assigned to work under the Agreement.

If UC employees perform any acts for the purpose of discharging Supplier's responsibility in this Article, whether requested to perform such acts by the Supplier or not, such UC employees while performing such acts will be considered Supplier's agents and servants subject to the exclusive control of Supplier.

D. Safety, Health and Fire Protection. Supplier will take all reasonable precautions in providing the Services to protect the health and safety of UC employees and members of the public and to minimize danger from all hazards to life and property, and will comply with all UC health, safety, and fire protection regulations and requirements (including reporting requirements). In the event that Supplier fails to comply with UC's regulations and requirements, UC may, without prejudice to any other legal or contractual rights of UC, issue an order stopping all or any part of the work; thereafter a start order for resumption of work may be issued at UC's discretion. Supplier shall not be entitled to make a claim for extension of time or for compensation or damages by reason of or in connection with such work stoppage.

The safety of all persons employed by Supplier and its subcontractors on UC premises, or any other person who enters upon UC premises for reasons relating to the Agreement, will be the sole responsibility of Supplier. Supplier will at all times maintain good order among its employees and all other persons who come onto UC's premises at Supplier's request and will not engage any unfit or unskilled person to provide the Services. Supplier will confine its employees and all

other persons who come onto UC's premises at Supplier's request or for reasons relating to the Agreement and its equipment to that portion of UC's premises where the work under the Agreement is to be performed or to roads leading to and from such work sites, and to any other area which UC may permit Supplier to use. Supplier will take all reasonable measures and precautions at all times to prevent injuries to or the death of any of its employees or any other person who enters upon UC premises at Supplier's request. Such measures and precautions will include, but will not be limited to, all safeguards and warnings necessary to protect workers and others against any conditions on the premises which could be dangerous and to prevent accidents of any kind whenever work is being performed in proximity to any moving or operating machinery, equipment or facilities, whether such machinery, equipment or facilities are the property of or are being operated by, Supplier, its subcontractors, UC or other persons. To the extent compliance is required, Supplier will comply with all relevant UC safety rules and regulations when on UC premises.

E. Tobacco-free Campus. UC is a tobacco-free institution. Use of cigarettes, cigars, oral tobacco, electronic cigarettes and all other tobacco products is prohibited on all UC owned or leased sites.

ARTICLE 17 – INSURANCE. Supplier, at its sole cost and expense, will insure its activities in connection with providing the Services and obtain, keep in force, and maintain the following insurance with the minimum limits set forth below, unless UC specifies otherwise:

A. Comprehensive or Commercial Form General Liability Insurance (contractual liability included) with limits as follows:

Each Occurrence	\$ 1,000,000.00
Products/Completed Operations Aggregate	\$ 2,000,000
Personal and Advertising Injury	\$ 1,000,000
General Aggregate (Not applicable to the Comprehensive Form)	\$ 2,000,000

Additional other insurance in such amounts as may be reasonably required by UC against other insurable risks relating to performance.

If the above insurance is written on a claims-made form, it will continue for three years following termination of the Agreement. The insurance will have a retroactive date of placement prior to or coinciding with the effective date of the Agreement.

If the above insurance coverage is modified, changed or cancelled, Supplier will provide UC with not less than fifteen (15) days advance written notice of such modification, change, or cancellation, and will promptly obtain replacement coverage that complies with this Article.

B. Business Automobile Liability Insurance for owned, scheduled, non-owned, or hired automobiles with a combined

single limit of not less than one million dollars (\$1,000,000) per occurrence. (REQUIRED ONLY IF SUPPLIER DRIVES ON UC PREMISES OR TRANSPORTS UC EMPLOYEES, OFFICERS, INVITEES, OR AGENTS IN THE COURSE OF SUPPLYING THE SERVICES TO UC.)

C. If applicable, Professional Liability Insurance with a limit of two million dollars (\$2,000,000) per occurrence with an aggregate of not less than two million dollars (\$2,000,000). If this insurance is written on a claims-made form, it will continue for three years following termination of the Agreement. The insurance will have a retroactive date of placement prior to or coinciding with the effective date of the Agreement.

D. Workers' Compensation as required by applicable state law and Employer's Liability with limits of one million dollars (\$1,000,000) per occurrence.

E. If applicable, Supplier will be responsible for loss of UC and UC's customers' property, directly or indirectly, and will maintain Fidelity Bond or Crime coverage for the dishonest acts of its employees in a minimum amount of one million dollars (\$1,000,000). Supplier will endorse such policy to include a "Regents of the University of California Coverage" or "Joint Payee Coverage" endorsement. UC and, if so requested, UC's customers will be named as "Loss Payee, As Their Interest May Appear" in such Fidelity Bond.

It is understood that the coverage and limits referred to under A, B and C of this Article will not in any way limit Supplier's liability. Supplier will furnish UC with certificates of insurance (and the relevant endorsement pages) evidencing compliance with all requirements prior to commencing work under the Agreement. Such certificates will

(1) Indicate that The Regents of the University of California has been endorsed as an additional insured for the coverage referred to under A and B of this Article. This provision will only apply in proportion to and to the extent of the negligent acts or omissions of Supplier, its officers, agents, or employees.

(2) Include a provision that the coverage will be primary and will not participate with nor be excess over any valid and collectible insurance or program of self-insurance carried or maintained by UC.

ARTICLE 18 – PERMITS. Supplier agrees to procure all necessary permits or licenses and abide by all applicable laws, regulations and ordinances of the United States and of the state, territory and political subdivision in which the Services are provided. Supplier will be liable for all damages and, in accordance with Article 11, will defend, indemnify and hold harmless UC, its officers, employees, and agents, from and against all losses, expenses (including but not limited to reasonable attorneys' fees), damages, and liabilities of any kind arising out of Supplier's failure to secure and pay for any such licenses or permits or to comply fully with any and all applicable laws, ordinances and regulations.

ARTICLE 19 – COOPERATION. Supplier and its subcontractors, if any, will cooperate with UC and other Suppliers and contractors on the premises and will so carry on their work that other cooperating Suppliers and contractors will not be hindered, delayed or interfered with in the progress of their work, and so that all of such work will be a finished and complete job of its kind.

ARTICLE 20 – TAXES. Supplier will pay all contributions, taxes and premiums payable under federal, state and local laws measured upon the payroll of employees engaged in providing Services under the Agreement, and all applicable, excise, transportation, privilege, occupational and other taxes applicable to the Services. Where applicable, Supplier will pay all sales and use taxes imposed on the Supplier.

ARTICLE 21 – USE OF UC NAME AND TRADEMARKS. Supplier will not use the UC name, abbreviation of the UC name, trade names and/or trademarks (i.e., logos and seals) or any derivation thereof, in any form or manner in advertisements, reports, or other information released to the public, or place the UC name, abbreviations, trade names and/or trademarks or any derivation thereof on any consumer goods, products, or services for sale or distribution to the public, without UC's prior written approval. Supplier agrees to comply at all times with California Education Code, Section 92000.

ARTICLE 22 – INTELLECTUAL PROPERTY, COPYRIGHT AND PATENTS.

A. Seller acknowledges and agrees that any deliverables provided to UC by Supplier in the performance of the Agreement, and any intellectual property rights therein, (hereinafter the "Deliverables") will be owned by UC. The Deliverables will be considered a "work made for hire" under U.S. copyright law and all title, interest, and rights to and in such Deliverables including, but not limited to, any and all copyrights or trademarks, will be owned by UC. In the event that it is determined that UC is not the owner of such Deliverables under the "work made for hire" doctrine of U.S. copyright law, Supplier hereby irrevocably assigns to UC all rights, title, and interest to and in such Deliverables and any copyrights or trademarks thereto. Supplier further agrees to promptly execute any additional documents or forms that may be required by UC in order to effectuate said assignment and to allow UC to register the works with the U.S. Copyright Office or the U.S. Patent and Trademark Office. Supplier also hereby assigns any potentially patentable inventions made by Supplier in the performance of the Agreement.

B. The Deliverables must be new and original. Supplier must not use any pre-existing copyrightable or trademarked images, writings, or other proprietary materials (hereinafter "Pre-Existing Materials") in the Deliverables without UC's prior written permission. In the event that Supplier uses any Pre-Existing Materials in the Deliverables in which Supplier has an ownership interest, UC is hereby granted, and will have, a non-exclusive, royalty-free, irrevocable, perpetual, paid-up, worldwide license (with the right to sublicense) to make, have made, copy, modify, make derivative works of, use, perform, display publicly, sell, and otherwise distribute such Pre-Existing Materials in connection with the Deliverables.

C. Whenever any invention or discovery is made or conceived by Supplier in the course of or in connection with this Agreement, Supplier will promptly furnish UC complete information with respect thereto and UC will have the sole power to determine whether and where a patent application will be filed and to determine the disposition of title to and all rights under any application or patent that may result. Supplier will, at UC expense, execute all documents and do all things necessary or proper with respect to such patent applications.

Supplier is specifically subject to an obligation to assign all right, title and interest in any such patent rights to UC as well as all right, title and interest in tangible research products embodying such inventions whether the inventions are patentable or not.

ARTICLE 23 – CANRA. Supplier represents and warrants that it complies with the California Child Abuse and Neglect Reporting Act ("CANRA"). Failure to comply with CANRA will constitute a material breach of the Agreement and be grounds for termination.

ARTICLE 24 – EXPENSE REIMBURSEMENT. Supplier agrees that any of its expenses that UC agrees to reimburse will be reimbursed under UC's Meal and Travel Expense Policy, which may be obtained upon request.

ARTICLE 25 – PRICE DECREASES. Supplier agrees immediately to notify UC of any price decreases from its suppliers, and to pass through to UC any price decreases.

ARTICLE 26 – CONFLICT OF INTEREST. Supplier affirms that, to the best of Supplier's knowledge, no UC employee who has participated in UC's decision-making concerning the Agreement has an "economic interest" in the Agreement or Supplier. A UC employee's "economic interest" means (a) an investment worth \$2,000 or more in Supplier or its affiliate, (b) a position as director, officer, partner, trustee, employee or manager of Supplier or its affiliate, (c) receipt during the past 12 months of \$500 in income or \$440 in gifts from Supplier or its affiliate, or (d) a personal financial benefit from the Agreement in the amount of \$250 or more. In the event of a change in these economic interests, Supplier will provide written notice to UC within thirty (30) days after such change, noting such changes. Supplier will not be in a reporting relationship to a UC employee who is a near relative, nor will a near relative be in a decision making position with respect to Supplier.

ARTICLE 27 – SEVERABILITY. If a provision of the Agreement becomes, or is determined to be, illegal, invalid, or unenforceable, that will not affect the validity or the enforceability of any other provision of the Agreement or the validity or the enforceability of any portion of the invalidated provision that remains legal, valid, or enforceable. Waiver or non-enforcement by either party of a term or condition of the Agreement will not constitute a waiver or non-enforcement of any other term or condition or of any subsequent breach of the same or similar term or condition.

ARTICLE 28 – GOVERNING LAW. California law will control the Agreement and any document to which it is appended. The exclusive jurisdiction for any and all actions arising out of or brought under the Agreement is in a court of competent jurisdiction, federal or state, situated in the county in the State of California in which the UC campus is located or, where the procurement covers more than one campus or the Office of the President, the exclusive venue is Alameda County, California.

ARTICLE 29 – OTHER APPLICABLE LAWS. Any provision required to be included in a contract of this type by any applicable and valid federal, state or local law, ordinance, rule or regulations will be deemed to be incorporated herein.