

STANDARD TERMS AND CONDITIONS

This Purchase Order constitutes Buyer's offer to Seller upon the terms and conditions stated herein and on the face hereof, and it does not constitute an acceptance by Buyer of any offer to sell. Any reference in this Purchase Order to Seller's quotation or proposal does not constitute acceptance of any terms and conditions in that quotation or proposal, all of which are expressly objected to and rejected. This Purchase Order shall become a binding contract when it is accepted either by Seller's acknowledgment or performance. This Purchase Order expressly limits acceptance to its terms and conditions. Any additional or different terms or conditions proposed by the Seller are objected to and rejected and shall be of no effect nor in any circumstance binding upon Buyer. To the extent that Buyer's purchase order could be construed as an acceptance of any offer, such acceptance is expressly made conditional on Seller's assent to the terms and conditions of this Purchase Order. By accepting the order or any part thereof, the Seller agrees to and accepts all terms and conditions.

1. In the performance of this Purchase Order, Seller shall comply with the provisions of all applicable federal, state and local laws, regulations, codes, rules and ordinances from which liability may accrue to Buyer from any violation thereof by Seller. In furtherance but not in limitation of the foregoing, Seller agrees that:

- a) All items supplied under the terms of this Purchase Order shall be certified by Seller to be in compliance with requirements and standards of the Occupational Safety & Health Act of 1970. In addition, where required, hazardous material data sheets will be supplied on all applicable products. Failure of Buyer to contest a citation resulting from noncompliance of these items will not relieve Seller of liability under this Paragraph.
- b) All invoices must carry the following certification in order to be passed for payment: "We hereby certify that these goods were produced in compliance with all applicable requirements of the Fair Labor Standards Act, as amended, and of regulations and orders of the United States Department of Labor issued under section XIV thereof."

2. In the event this order is shipped by a carrier other than the one specified and results in higher shipping charges, the additional charges will be deducted from Seller's invoice.

3. No charges will be allowed for crating, boxing, or cartage unless previously agreed upon. Therefore, unless stated on the face of this Purchase Order, the price includes all applicable taxes and charges for boxing, packing, crating, transportation or otherwise. Time for calculation of discounts shall be from date of receipt of goods by Buyer unless indicated otherwise on the face of the Purchase Order.

4. This order is not to be invoiced at a price in excess of that shown without first obtaining Buyer's written permission.

5. Seller agrees to assume exclusive liability under all laws that impose taxes or other exactions on the manufacture or sale of the goods to be furnished hereunder or any component part thereof, or on any process or labor involved therein, or on any services to be rendered by Seller, and to pay any and all such taxes except those Buyer specifically agrees or is by law required to pay. Any taxes to be paid by Buyer shall be separately stated on the invoice. Prices shall not include any taxes for which Seller can obtain or Buyer can furnish exemption.

6. All invoices are to be in duplicate and mailed at the time of shipment to Buyer at address shown on front of Purchase Order.

7. All packagers must contain packing slips showing Buyer's purchase order number, and part number, and barcode (if required)..

8. This order is issued for the specific quantity called for on reverse side and is valid for the amount only. Any material received in excess of this amount is subject to return to Seller for full credit plus transportation charges both to and from Buyer's plant unless permission to ship is first obtained from Buyer. Seller will limit and phase expenditures, incurring of costs and purchases and subcontract commitments for raw materials and components in such fashion to insure continuity of production and permit performance and completion of each production increment in sequence without creating any unreasonable accumulations of raw materials or components for any production increments.

9. The cash discount period available to Buyer shall commence on the date of the receipt of the merchandise or on the date of receipt of the invoice, whichever may be the later.

10. Payment for goods covered by this order shall not constitute an acceptance thereof but shall subject to Buyer's inspection and the right of rejection by Buyer is reserved if goods are not in accordance with Buyer's blueprint specifications or samples. Approval of samples by Buyer shall not relieve Seller from strict and full compliance with such blueprints or specifications. Seller shall repay Buyer the purchase price of any material which is defective, or does not conform to specifications, drawing or samples or was not shipped in accordance with Buyer's delivery schedule provided Buyer returns the material to Seller. Rejected material shall be returned at the expense of Seller upon rejection and Seller shall bear all risk of loss as to rejected material. Buyer may elect to retain rejected material and remedy any defects or nonconformity to specifications, drawings, or samples. Cost of effecting such remedy shall be paid by Seller.

12. Seller warrants that it is conveying to Buyer good and merchantable title to the goods which are the subject of this Purchase Order free and clear of all liens. Seller may be required to supply appropriate lien waivers from its suppliers and subcontractors.

13. Seller warrants that the goods and the sale or use of them will not infringe any patents, copyright, trademarks, trade names or trade secrets. Seller agrees to indemnify and hold harmless Buyer, its successors, assigns, and customers and users of its products against any loss, damage, liability, costs and expenses which may be incurred as a result of or in defending or settling any suit, claim, judgement or demand involving infringement of any of the foregoing by the sale or use of the goods. Seller agrees that it will, when so requested, provided it is given reasonable notice of the pendency of any such suit, claim or demand, assume the defense of Buyer, and/or its successors, assigns and customers, and users of its products against any such aforementioned suits, claims, or demands.

14. Seller warrants that all goods and/or services provided by it (a) shall be of good quality and workmanship and free from defects, latent or patent; (b) shall conform to all specifications, drawings or descriptions which are specified by Buyer; (c) shall be merchantable and suitable and sufficient for their intended purpose; and (d) shall be free from any claim of any third party. Seller further warrants that the design and performance of all items being purchased conform with the requirements of applicable insurance and government health and safety regulations, including regulations administered by OSHA and EPA. Seller may not negate, exclude, limit or modify any warranty otherwise available to Buyer. Any attempt by Seller to do so is ineffective and shall not in any way bind Buyer. Buyer's inspection or acceptance of any goods or services, or Buyer's payment for goods and services shall not constitute a waiver by it of any warranties. None of the remedies available to Buyer for the breach of any of the foregoing warranties may be limited except to the extent and in the manner agreed upon by Buyer in a separate agreement specifically designating such limitation and signed by an authorized representative of Buyer.

15. Seller agrees that Buyer's designs, specifications, formulae, processes and manufacturing information are Buyer's proprietary data and valuable trade secrets and shall not be utilized for purposes other than those intended in this Purchase Order. Seller agrees to keep confidential and not to disclose any such data or information to any third party and agrees to use its best efforts to cause its employees, agents and subcontractors not to violate the terms of this provision.

16. Unless Buyer and Seller otherwise agree in writing, the following provision shall apply to any tools, tooling, patterns, equipment, materials, designs, plans, drawings or other tangible and intangible properties used in the manufacture of goods for Buyer or in the performance of this Purchase Order, and supplied to Seller by Buyer, or have been acquired by Seller and specifically paid for by Buyer, or have been specifically designed or developed by Seller for Buyer in the performance of this Purchase Order. All such properties shall be referred to as Buyer-owned.

- a) Seller shall have the right to use Buyer owned property without payment for usage in the performance of this Purchase Order or other work for Buyer, but shall not use Buyer owned property in the performance of any other work without prior written approval of Buyer. All rights, title and interest, including, but not limited to intellectual property rights, in and to all Buyer owned property shall at all times remain with Buyer.
 - b) Seller shall take all necessary measures to preserve Buyers title to Buyer owned property, free of all encumbrances, including, but not limited to, the execution of all necessary assignments and conveyances, and other such documents. Seller shall cooperate and assist Buyer with the filing of any UCC financing statements or other documents deemed necessary or appropriate by Buyer (including their execution by Seller) to protect and determine its ownership of an interest in any Buyer owned property. Upon the reasonable written request of Buyer. Seller shall also cooperate with and assist Buyer, at Buyer's expense, with the filing, prosecution, enforcement and maintenance of Buyer's intellectual property rights in and to Buyer owned property. Buyer retains the right, in addition to other rights provided by law, to enter Seller's premises and remove Buyer owned property with or without a court order and Seller agrees to cooperate with Buyer in this regard.
 - c) Seller shall, on written request of Buyer, properly pack and ship Buyer-owned property to such destination as designated by Buyer.
 - d) Seller shall, at its expense, perform all maintenance work, repairs and replacements necessary with respect to applicable Buyer-owned property so that such property remains suitable for the use intended.
 - e) The risk of loss or damage to all Buyer-owned property shall be with Seller from the time that such property is delivered to Seller until that property is delivered by Seller to the destination specified by Buyer in writing. Seller shall insure all Buyer-owned property with coverages and limit amounts satisfactory to Buyer and shall provide proof of such insurance coverage on Buyer-owned property to Buyer upon request of Buyer.
 - f) Buyer shall not be liable for loss, damage, detention, or delay resulting from causes beyond its control with respect to any Buyer-owned property to be delivered to Seller by Buyer.
 - g) Seller shall assume and shall indemnify Buyer against any and all liability for damaged property or injury to, or death of any persons arising from, incidental to the presence of, or use of Buyer-owned property, whether such damage, injury or death is caused by defects in the property, negligence in the use thereof, or otherwise.
 - h) Seller shall, upon receipts of written request, provide Buyer with a current listing of Buyer-owned property in its or its subcontractors' possession, indicating complete descriptions, quantities, property conditions, acknowledgments of ownership and such other information as Buyer shall reasonably request.
17. Seller agrees not to use the name of Buyer or to quote the opinion of any of Buyer's employees in any advertising without obtaining the prior written consent of Buyer.
18. Buyer may at anytime insist upon strict compliance with these terms and conditions regardless of any previous custom, practice or course of dealing to the contrary.
19. Seller shall indemnify, defend and hold harmless Buyer, its officers, directors, employees, shareholders and agents from and against all liability, loss, damage, claims, suits, costs or expense (including attorneys' fees and expenses) for any personal injury (including death) or property damage arising out of or in connection with Seller's negligent acts or omissions or the failure of Seller or any goods or services to comply fully with the terms and conditions of this Purchase Order. Seller shall maintain such public liability (including products liability), property damage, automobile liability, Workers' Compensation and employers' liability insurance as will adequately protect Buyer against such damage, liability, claims, loss and expense. Seller agrees to provide proof of its insurance coverage upon the request of Buyer.
20. During the performance of this Purchase Order, Seller shall comply with the provisions of all Executive Orders; rules, regulations and relevant orders of the Secretary of Labor; and other laws, ordinances, regulations, rules, codes and orders that relate to nondiscrimination and equal opportunity, all as the same may be modified, amended, supplemented or replaced.

21. Buyer may terminate in whole or in part this Purchase Order without cause. In the case of special order products and services made and provided primarily in accordance with the specifications of the Buyer, the Buyer shall be liable only for marginal or variable costs and expenses (excluding, without limitation, any liability for fixed or period costs, selling, general or administrative expenses, interest or profits) incurred by the Seller prior to the date of termination, less full credit for direct materials or tooling reusable by the Seller, and less the full scrap or salvage value for materials or tooling which cannot be reused by the Seller. In the case of all other products or services (including but not limited to those products or services where Buyer's specifications are secondary or incidental) the Buyer shall be liable for the Purchase Order price only for the products shipped or services provided prior to the date of termination.
22. Buyer shall not be bound by this order until Seller acknowledges receipt of this Purchase Order. Seller shall be bound by this document and its terms and conditions when it acknowledges receipt or when it delivers to Buyer any of the items ordered, or renders to Buyer any of the services ordered herein.
23. The quantities, prices, terms, conditions or other pertinent specifications of the Purchase Order shall not be changed except by Buyer's written authorization. Where the supplies to be furnished are to be specifically manufactured in accordance with drawings and/or specifications. Buyer may, at any time, by written order make changes in drawings, designs, or specifications, (ii) method of shipment or packing, and (iii) place of delivery. If any such change causes an increase or decrease in the cost of, or time required for performance of the work under this Purchase Order, and equitable adjustment shall be made in the contract price or delivery schedule or both. Seller shall submit its claim within thirty days from the date of receipt of notification of change unless said period is extended in writing by Buyer. Where the cost of property which has become obsolete or excess as the result of any change is included in Seller's claim for adjustment, Buyer shall have the right to prescribe the disposition of such property.
24. Time is the essence on this contract, and if delivery of items or rendering of services is not completed by the time promised, Buyer reserves the right without liability, in addition to its other rights and remedies, to terminate this contract by notice effective when received by Seller, as to stated items not yet shipped or services not yet rendered, and to purchase substitute items or services elsewhere and charge the Seller with any loss incurred.
25. Seller shall upon Buyer's request suspend shipment and delivery of material or equipment, and all work and operations hereunder for such period as Buyer may request.
26. Over-shipments against this order will be returned and billed back at selling prices.
27. Terms – net 60 days, F.O.B. Buyer's plant. Delivery shall not be deemed complete until the goods have actually been received and accepted by Buyer or by the person to whom the goods were delivered, and the risk of loss on the goods shall be borne by Seller. These terms apply in the absence of terms to the contrary on the face of the order.
28. The terms and conditions of the agreement between Buyer and Seller arising out of this Purchase Order shall be governed by the laws of the state appearing on the front of this Purchase Order without regard to its conflicts of law provisions. All disputes shall be brought in the state courts of the state appearing on the front of this Purchase Order or the Federal District Court for the district of Buyer's location. Notwithstanding the foregoing, at Buyer's option, any controversy or claim arising out of or relating to this Purchase Order or its performance shall be settled by arbitration in accordance with the commercial arbitration rules of the American Arbitration Association. The arbitrators shall have no right to award punitive or exemplary damages or vary the terms of this Purchase Order and shall apply the state law from the state on the face of this Purchase Order.
29. This Purchase Order or any portion of this Purchase Order or any duty or right herein or any claim arising hereunder shall not be assigned by Seller without the prior written consent of Buyer. This Purchase Order may not be assigned by operation of law or a merger or judicial sale or otherwise, without the prior written consent of Buyer. Any unauthorized assignment or attempted assignment by Seller shall constitute a material breach of this agreement. This Purchase Order may be assigned by Buyer.
30. Failure of Buyer or Seller to insist on performance of any of the terms and conditions or requirements of this Purchase Order shall not be construed as a waiver of such terms, conditions or requirements and shall not affect the right of either party thereafter to enforce each and every term, condition or requirement hereof.
31. Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Purchase Order, Seller shall immediately give notice, including all relevant information, to Buyer. Seller agrees to insert the substance of this clause, including this paragraph (b) in any subcontract as to which a labor dispute may delay the timely performance of this Purchase Order; except that each such subcontract shall provide that the notice and information mentioned above shall be given to its next higher tier subcontractor.
32. Buyer's obligation under this Purchase Order shall be subject to deduction of any valid claim of Buyer against Seller arising from this or any other transaction between Buyer and Seller.

33. In the event Seller fails to perform when due any delivery and/or service required by this Order, or Buyer in good faith has any other reason to question Seller's intent or ability to perform, Buyer may, at its election, demand adequate assurance of performance, including that Seller furnish a performance bond or letter of credit, conditioned to indemnify Buyer for any loss Buyer may sustain by failure of Seller to perform its obligations in the event Seller fails to comply with such demand within ten (10) business days thereafter Buyer may treat this failure as a default.