

PURCHASE ORDER TERMS AND CONDITIONS

Buyer OBJECTS in advance to the inclusion of any additional or different terms proposed by Seller in his acceptance or acknowledgment of this order. The inclusion of such terms by the Seller will be of no significance, such terms will not be conditions or additional terms to this order, and Buyer's acceptance of Seller's goods shall not be deemed as acceptance of such terms. Unless otherwise stated on the face of this order, the following terms and conditions shall apply.

1. DELIVERY

All goods must be shipped at the most advantageous rates unless otherwise authorized in writing by the Buyer. Any extra expense in effecting delivery of goods not so shipped will be charged to the Seller.

Adequate scheduling of shipment of goods shall be made by Seller in that delivery dates included within this order are essential to the Buyer. Seller shall not, however, make material commitments or production arrangements in advance of reasonable flowtime needed to meet Buyer's delivery schedule. No claims shall be allowed for such advance effort in case of change or termination. Shipments shall be strictly in accordance with Buyer's delivery schedule.

2. EXCUSABLE DELAYS

Neither party shall be liable for damages resulting from delays arising out of causes beyond its control and without its fault or negligence, including acts of God, acts of the Government, fires, floods, strikes, freight embargoes, and unusually severe weather, nor shall such delay affect the remainder of this order. Seller will notify Buyer in writing within ten (10) days after the beginning of any cause for delay, in the absence of which Seller waives his right for an excuse for such delay.

3. PACKING AND SHIPPING

An itemized list of contents must be placed in each package bearing this Order Number. No charge will be allowed by Buyer for cartage or packing unless agreed upon beforehand in writing. All expenses incurred by Seller's failure to furnish necessary shipping documents shall be charged to Seller.

4. INVOICING

Packing lists in DUPLICATE and itemized invoices, each bearing the Order Number must be mailed on day of shipment. Bill of lading or express receipt must be attached to your invoice. Show our Order Number immediately following our name.

Invoices subject to cash discount should be mailed on the day they are dated. If they are not, discount period will begin on the day bills are received by Buyer's Purchasing Department. Failure to attach Bill of Lading or Express Receipt to Seller's invoice will delay payment and discount period will begin when the documents are received. All invoices must bear the following certification in order to be approved for payment. "We hereby certify that these goods were produced in compliance with the Fair Labor Standards Act of 1938 as amended, and regulations and orders issued by the United States Department of Labor thereunder."

5. INSPECTIONS AND TESTING

Buyer shall have the right to expedite, inspect and test any of the goods or work covered by this order prior to shipment. All goods are also subject to Buyer's inspection and approval on arrival. If rejected, they will be held for disposal at Seller's risk. Such inspection, or the waiver thereof, however, shall not relieve the Seller from full responsibility for furnishing goods and work conforming to the requirements of the order, nor prejudice any claim, right or privilege the Buyer may have because of the use of defective or unsatisfactory goods or work.

6. WARRANTY

All goods furnished by Seller and any services or installation relating thereto pursuant to this order shall be warranted to be of the best quality of their respective kinds and to be free of defects in design, workmanship, or material and when known to Seller suitable for their intended purposes. In the event of breach, in the most expeditious manner possible, the Seller shall remedy such breach. Should the Seller fail to correct any such breach in a timely manner, the Buyer may proceed, at Seller's expense, to perform the necessary corrective work. This warranty shall also inure to the benefit of Buyer's customer or user of the goods.

7. ASSIGNMENT AND SUBCONTRACTING

Supplier will protect proprietary rights of blueprint when subcontracting.

8. CHANGES

Buyer may at any time make changes in shipping and packing instructions, quantities, drawings, designs, specifications, place of delivery and/or delivery schedules, for which an appropriate adjustment to the order shall be made.

9. TERMINATION FOR DEFAULT

Buyer may terminate all or any part of this order by giving notice of default to Seller, if Seller: (a) refuses or fails to deliver the goods within the time specified; (b) fails to comply with any of the provisions of this order or so fails to make progress as to endanger performances hereunder; or (c) becomes insolvent or subject to proceedings under any law relating to bankruptcy, insolvency or the relief of debtors.

In the event of a termination for default, Buyer's liability shall be limited to the payment for goods delivered and accepted by Buyer under this order.

10. TERMINATION FOR CONVENIENCE

Buyer may terminate this order at any time for its convenience, in whole or in part, in which event, Buyer's sole obligations shall be to reimburse Seller for (a) those goods actually shipped and accepted by Buyer up to the date of termination, and (b) costs incurred by Seller for unfinished goods, which are specifically manufactured for Buyer and which are not standard products of the Seller, as of the date of termination, plus a reasonable profit thereon. In no event shall Buyer be responsible for loss of anticipated profit nor shall reimbursement exceed the order value.

11. STOP WORK ORDER

Buyer may at any time by written notice to the Seller stop all or any part of the work called for by this order. Upon receipt of such notice, the Seller shall take all reasonable steps to minimize the incurrence of costs during the period of work stoppage. Buyer may subsequently either cancel the stop work order resulting in an equitable adjustment in the delivery schedule and/or the price, or terminate the work in accordance with the provisions of this order.

12. PATENTS

Seller agrees to indemnify and save harmless the Buyer, its officers, employees, agents, representatives or any of its customers buying or using the goods specified herein from any loss, damage or injury arising out of a claim or suit at law or equity for actual or alleged infringement of letters patent, by reason of the buying, selling or using the goods supplied under this order, and will assume the defense of any and all suits and will pay all costs and expenses incidental thereto.

13. CONFIDENTIAL INFORMATION

Seller agrees not to make any use of data, designs, drawings, specifications and other information furnished to it by the Buyer, except for the performance of this order and Seller further agrees not to disclose such data, designs, drawing, specifications and other information to others except for the performance of this order under similar restrictions against use and disclosure. Upon completion or termination of this order, Seller shall return to Buyer on demand, all such data, designs, drawings, specifications and other information, including copies made by Seller.

This order is confidential between the Buyer and the Seller, and it is agreed by the Seller that none of the details connected herewith shall be published or disclosed to any third party without the Buyer's written permission.

14. RISK OF LOSS

Seller assumes the following risks: (a) all risks of loss or damage to all goods, work in process, materials and other things until the delivery thereof as herein provided; (b) all risks of loss or damage to third persons and their property until the delivery of all the goods as herein provided; (c) all risks of loss or damage to any property received by Seller from or held by Seller or its supplier for the account of Buyer, until such property has been delivered to Buyer or its customer as the case may be, and (d) all risks of loss or damage to any of the goods or part thereof rejected by Buyer, from the time of shipment thereof to Seller until redelivery thereof to Buyer.

Any patterns, dies, molds, jigs and fixtures furnished to Seller by Buyer, or specifically paid for by Buyer, shall be the property of Buyer and subject to removal by Buyer upon completion of the order, and shall be used only in filling Buyer's orders and held by Seller at its sole risk.

15. INSURANCE AND INDEMNIFICATION

Seller agrees to indemnify and save harmless the Buyer, its officers, agents and employees from and against any and all claims and liabilities (including expenses) for injury or death of persons or damage to any property which may result, in whole or in part, from any act or omission on the part of the Seller, its agents, employees or representatives, or arising from any Seller furnished goods or services, except to the extent that such damage is due solely and directly to the negligence of the Buyer.

Seller shall carry comprehensive general liability insurance, including contractual and product liability coverage, with minimum limits acceptable to the Buyer. Seller shall, at the request of the Buyer, supply certificates evidencing such coverage.

16. NORTH AMERICAN FREE TRADE AGREEMENT

Seller agrees to deliver as a separate line item a NAFTA Certificate of Origin (Customs Form 434) for all goods that meet the NAFTA Rules of Origin. Buyer reserves the right to withhold all payments to the Seller until such time as a completed NAFTA Certificate is delivered. A NAFTA Certificate is mandatory for all goods which are labeled "MADE IN THE USA".

17. LAWS AND REGULATIONS

Seller shall comply with all applicable Federal, State and Local laws, statutes and ordinances including, but in no way limited to rules, regulations and standards of the Occupational Safety and Health Act of 1970 and the Federal Contract Work Hours and Safety Standards Act and the rules and regulations promulgated under these acts.

With respect to the supply of goods relating to a facility regulated pursuant to the Atomic Energy Act of 1954, as amended, or the Energy Reorganization Act of 1974, the provisions of Title 10 Code of Federal Regulations, Part 21 (10CFR21) are applicable to this order. Seller agrees in connection with performance of this order, not to discriminate against any employee or applicant for employment because of race, sex, religion, color, age, national origin, handicap or status as a Vietnam Era or Special Disabled Veteran. Unless exempted, the equal employment opportunity clauses in Section 202, paragraphs one through seven of Executive Order 11246, as amended, and the affirmative action clauses as set forth in 41 C.F.R. Section 60-741.4 (for orders of \$10,000 or more) and 41 C. F. R. Section 60-250.4 (for orders of \$10,000 or more) are incorporated herein by reference.