

Terms of Purchase

1. DEFINITIONS

As used in this purchase order, "Order" shall mean this purchase order and all attachments, exhibits and documents to which reference is made, "Material" shall mean the goods and services covered by the Order, "Seller" shall mean the person, corporation or other entity to whom the Order is addressed, and "Purchaser" shall mean the corporation in whose name this Order is issued.

2. INTERPRETATION

All of the documents contained in the Order shall be complementary of each other. Anything required by one shall be deemed included in and required by the others. Any conflict between the various documents shall be brought to the attention of Purchaser, whose interpretation thereof shall be conclusive. The Order supersedes and replaces all prior agreements and understandings relating to the Material. Course of dealing between Seller and the Purchaser shall not be effective as a waiver of any of the terms of the Order.

3. ACCEPTANCE

Seller may accept the Order by commencement of any work on the Material, shipment of any of the Material, or by written acknowledgment of the Order. The Order is subject to acceptance only on the terms and conditions contained in the Order. The terms of a written acknowledgment or other document shall not be effective to amend, supplement or negate any of the terms of the Order but shall constitute acceptance of all of the terms of the Order. If the Order is deemed to be the acceptance of Seller's offer, such acceptance is expressly limited to the terms of the Order and Purchaser specifically objects to any different or additional terms, whether or not material, contained in such offer.

4. CHANGE

Purchaser may make changes in the quantity, character, specifications, delivery and other terms of the Order at any time by written change order signed by the same authority that signed the Order. The price and delivery date set forth in the Order shall be equitably adjusted for any such change, using the unit prices and volume discounts for changes in quantity and an amount agreed as follows for other changes. Within ten (10) days after receipt of any change order, Seller shall provide Purchaser a detailed, itemized statement of any change in price or delivery date. Any claim for increase in price or delay in delivery shall be deemed waived unless made within such period. Seller shall proceed with changes directed by the change order pending agreement on any adjustment to the price or delivery terms. No amendments, substitutions or other changes to this Order shall be effective unless set forth in writing and signed by the same authority that signed the Order.

5. INSPECTION

Seller shall give Purchaser at least five (5) days' notice of and shall perform on the Material all regular production tests without additional charge to Purchaser. Purchaser and its representatives shall have the right to enter upon any premises where any work on the Material is being conducted for the purpose of witnessing such work; verifying quality assurance systems, procedures and records and inspecting the Material and expediting the delivery of Material. Such inspections shall not be an acceptance of any work performed and shall not relieve Seller of its obligations under the Order. All Material shall be subject to final inspection and acceptance for a reasonable period after receipt by Purchaser and may be rejected for failure to comply with the Order at any time prior to final inspection or within a reasonable time after final inspection if the nonconformity could not be detected by Material rejected shall be immediately removed by Seller, at its expense, and shall not be redelivered to Purchaser unless Seller notifies Purchaser that such Material was previously rejected.

6. DELIVERY

Time is of the essence of the Order. Seller shall provide Purchaser with weekly written reports of the production status and anticipated delivery date of the Material. Purchaser may store any Material received by it prior to the date specified in the Order at Seller's risk and expense. If any Material is not received by the date specified in the Order, Purchaser may either (i) terminate the Order without any liability to Seller and Seller shall refund any amounts previously paid under this Order by Purchaser or (ii) require Seller to ship the Material by the most expedient means at Seller's risk and expense. In either event, Purchaser shall be entitled to recover from Seller any additional expenses, losses, penalties or other costs arising from such delay or the purchase of substitute goods or services.

7. EXCUSABLE DELAY

Seller shall have no liability for any delay in delivery arising solely from causes that are beyond its control and the control of its vendors, and not reasonably foreseeable, including but not limited to, delays arising from strikes, fires, floods, explosions, riots, wars, acts of public enemies, acts of governments and civil commotion. In order for any such event to excuse a delay, Seller must notify Purchaser of its occurrence within five (5) days and take all reasonable action to overcome its effect. Purchaser may terminate the Order without any liability to Seller with respect to any Material delayed more than thirty (30) days. In the event that a portion of the Order is terminated pursuant to this clause, Seller shall continue performing any uncancelled portion. Seller shall not be entitled to any increase in price arising from an excusable delay.

8. SHIPPING INSTRUCTIONS

All Material shall be delivered F.O.B. to the locations specified in the Order, by carriers and routes designated by Purchaser. Seller shall be responsible for, and Purchaser may deduct from any amount owed to Seller, any increase in freight arising from shipment to locations, by carrier, by method or via routes other than those designated by Purchaser. If Purchaser fails to designate a carrier or route, Seller

shall ship the Material by freight, using the most direct route. Regardless of F.O.B. location, Seller agrees to bear all risk of loss, injury or destruction of the Material occurring prior to acceptance by Purchaser. Seller shall, without additional charge, provide all packing, crating and shipping containers necessary for protection of the Material in domestic transportation regardless of the point of delivery of the Material. Original bills of lading shall be included with each shipment or mailed to hall be prominently labeled with Purchaser's order number, weight and lifting points and shall contain an itemized packing list Purchaser's order number, weight, description and Seller's count. Purchaser's count shall be conclusive on any shipment not accompanied by an itemized packing list. Partial shipments are not permitted unless otherwise stated in the Order.

9. INVOICING AND PAYMENT

All invoices shall be submitted in duplicate and shall reference Purchaser's order number. A copy of the bill of lading shall be submitted with each invoice and any invoice containing freight charges shall be accompanied by a copy of the paid freight bill. Unless otherwise stated in the Order, payment terms shall be 2% discount for payment within ten (10) days, net amount within thirty (30) days. Purchaser shall have the right to offset against any payment to Seller any monies owed by Seller to Purchaser under the Order or any other agreement. Any discount period shall be counted from the latest of (a) the specified delivery date; b) the actual date all Material is received by Purchaser; or (c) the date Purchaser receives Seller's invoice, original bill of lading, packing lists and other documents required by the Order. Payment of any invoices shall not be deemed acceptance of any Material. All prices set forth in the Order shall be deemed to include all applicable duties, tariffs, sales, use and excise taxes unless otherwise indicated.

10. WARRANTY

Seller warrants that all Material shall be in conformance with Purchaser's specifications or, if none, applicable industry standards, free from any defect in design, material or workmanship; of sufficient size; free from encumbrances; and otherwise suitable for the purpose intended. If any Material fails to meet any of the above warranties at any time before the expiration of twelve (12) months from the date of operation by an end user or twenty-four (24) months from the date of installation, whichever is shorter, Seller shall, at its risk and expense and at the place at which such Material is then located, repair rework or modify so as to comply with the above warranties, or replace such Material with new Material meeting all of the terms of the Order, within a reasonable time after Seller is notified of such failure. In addition, Seller shall reimburse Purchaser and Purchaser may deduct from amounts otherwise owed to Seller any expenses or damages incurred by Purchaser as a result of the failure of any Material to comply with the above warranties, including but not limited to costs of replacement Material and repairs performed by Purchaser as a result of Seller's inability or refusal to perform such repairs or replacement within the time required by Purchaser.

11. PATENTS

Seller warrants that the manufacture, sale or use of the Material does not infringe on any patent, copyright or trademark and agrees to defend, indemnify and hold Purchaser and its customers harmless from any

loss, cost, expense, claim or demand based on infringement or claimed infringements. In the event any Material is found to infringe a letter patent, copyright or trademark, Seller shall, at its sole cost, replace such Material with non-infringing goods, obtain for Purchaser the royalty-free right to continue using the Material or modify the Material so as to be non-infringing.

12. INDEMNITY (INCLUDING FOR PURCHASER'S NEGLIGENCE)

SELLER SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS PURCHASER, ITS EMPLOYEES, AGENTS, SUBCONTRACTORS AND CUSTOMERS FROM AND AGAINST ALL CLAIMS, LIABILITIES, DAMAGES, LOSSES AND EXPENSES (INCLUDING ATTORNEY'S FEES) FOR ANY INJURY INCLUDING, WITHOUT LIMITATION, BODILY INJURY, DEATH OR PROPERTY DAMAGE ARISING DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, FROM THE USE OF THE MATERIAL OR THE SELLER'S BREACH OF THE ORDER BY THE SELLER, INCLUDING, WITHOUT LIMITATION, ANY SUCH CLAIMS, LIABILITIES, DAMAGES, LOSSES AND EXPENSES CAUSED OR OCCASIONED BY ANY NEGLIGENT ACT OR OMISSION OF PURCHASER, ITS OFFICERS, AGENTS, EMPLOYEES, INVITEES OR LICENSEES.

13. INSURANCE

If any of Seller's employees, agents or representatives are at any time on the property of Purchaser or its customers, Seller shall provide insurance as set forth below and shall name Purchaser and its customer as additional insured: a) Workmen's Compensation in amounts required by applicable law; b) Employer's liability in the amount of \$100,000; and c) General liability, including automobile coverage in the amount of \$500,000 per occurrence.

14. SECRECY

Seller shall keep confidential and not disclose to any third party and shall take all reasonable steps to prevent the disclosure of any drawings, specifications, data, performance criteria and other information provided to Seller by Purchaser or developed by or purchased Seller in the course of its performance of the Order. All such information and documentation shall be the property of the Purchaser and shall be delivered to the Purchaser upon demand but in no event later than with Seller's final invoice. Seller shall not refer to this Order or use any information provided by Purchaser or developed by Seller in the course of this Order in any advertisement, publication or other public disclosure without Purchaser's prior written consent. CHASER'S CONVENIENCE: This Order may be terminated by Purchaser in whole or in part at any time by a change order direct is normally stocked by Seller, Purchaser shall have no liability for any termination fees. With respect to specially produced Material, Seller shall immediately cease all work on terminated Material, cancel all orders for components and supplies relating to terminated Material on the best terms available and return to its stock or the stock of its vendors any reusable components and supplies. Purchaser shall pay Seller a termination fee equal to actual costs incurred for work completed plus any additional expenses incurred by Seller as a direct result of termination, less any amounts previously paid with respect to the terminated Material and credits for components and supplies returned to the stock of Seller and its vendors. All work-in process and other supplies identified to the terminated specially produced Material and not returned to the stock of Seller or its vendors shall be the property of

Purchaser and disposed of according to its instructions. Purchaser shall in no event be required to pay termination fees in excess of the purchase price of any terminated Material. Except as expressly set forth in this section, Purchaser shall not be liable for any damages as a result of any termination including, without limitation, anticipated or lost profits, or special, incidental or consequential damages. Seller shall continue performance of the Order to the extent it is not terminated.

15. DEFAULT

If Seller fails to perform any term of the Order at the time or in the manner such performance is required or so fails to make progress on any Material that Purchaser reasonably concludes that, Seller cannot perform the Order according to its terms, Purchaser may terminate all or any part of the Order without any liability to Seller or take possession of the Material in its then state of completion, together with any tools, plant and machinery necessary to complete the Material. Seller shall be liable for any amount paid by Purchaser for like goods and services which is in excess of amounts remaining to be paid under the Order, Purchaser's costs to complete the Material, any loss, damages or additional costs incurred by Purchaser and any other amounts recoverable under applicable law as result of Seller's failure to perform.

16. APPLICABLE LAWS

All Materials shall be manufactured, produced and sold in accordance and shall comply in all respects with all applicable laws, rules and regulations, including without limitation the Fair Labor Standards Act, Walsh Healy Act, Robinson-Patman Act, Occupational Health and Safety Act, Civil Rights Act, Executive Orders 11246 and 11375. Seller shall indemnify Purchaser and Purchaser's customers from any liability arising from the failure of any Material to comply with applicable laws. The Order shall be interpreted and any disputes shall be resolved in accordance with the laws of the state in which Purchaser's principal office is located.

17. IMPORTED COMPONENTS

Within thirty (30) days after acceptance of this Order, Seller shall notify Purchaser of any components or supplies incorporated in the Materials which were imported by Seller and on which Seller has paid, directly or indirectly, any duty or tariff. Seller hereby assigns to Purchaser any and all rights to draw-backs or other recovery of import duties relating to components and supplies incorporated into the Materials and agrees to provide Purchaser with any documents necessary for Purchaser to file a claim for drawback.

18. RECEIVING HOURS

All goods, supplies and other tangible property to be shipped by Seller to Purchaser's facility shall be scheduled to arrive between the hours of 7:00 A.M. and 11:30 A.M. or 12:15 P.M. and 3:45 P.M., Monday through Friday, excluding holidays. Purchaser shall have no obligation to accept shipment arriving at other times.

19. GIFTS AND CONSIDERATIONS

Seller warrants that it has not made and will not offer to make any gift to any employee of Purchaser or any of its agents for doing or forbearing to do any act, or for showing any favor or disfavor to any person, with respect to the award of this Order, or any work performed hereunder. Purchaser shall have the right to deduct from the contract price the full amount of any such gift made by Seller in breach of this warranty and may terminate this Order for default for breach of this warranty by Seller.

20. MISCELLANEOUS

No waiver or failure to enforce any provision of the Order shall be deemed a continuing waiver of such provision or a waiver of any other provision. Purchaser's exercise of any of its rights or remedies under the Order shall not prevent the concurrent or subsequent exercise of any other right or remedy available under the Order, at law or in equity. None of the work under the Order may be subcontracted and none of the proceeds under the Order may be assigned without Purchaser's prior written consent.

GENERAL TERMS & CONDITIONS OF PURCHASE