

Standard Terms and Conditions of Purchase

- 1. ACCEPTANCE:** This Purchase Order constitutes Buyers offer to Seller, and becomes a binding contract on the terms and conditions set forth herein when it is accepted by the Seller either by an acknowledgement or the commencement of performance hereof. No revisions of this order or any of the terms and conditions thereof shall be valid unless in writing and signed by an authorized representative of Buyer; and no condition stated by Seller in accepting or acknowledging this order shall be binding upon Buyer if in conflict with, inconsistent with, or in addition to the terms and conditions contained herein unless expressly accepted in writing by Buyer. This contract contains the entire agreement of the parties, and failure of either party to enforce any of its rights hereunder shall not constitute a waiver of such rights or to any other rights hereunder.
- 2. SPECIFICATIONS:** Any manufacturing or other specifications referred to in this order are hereby made a part hereof as if fully set forth herein. Seller warrants that all goods furnished shall conform to Buyer's specifications where indicated, if blueprint is specified Seller agrees not to proceed without it. Seller warrants all goods covered by this order to be of quality, quantity, size, description and dimension specified and free from defects, in design, materials and workmanship, including latent defects. Such warranty shall survive delivery and include workmanship of the materials, and shall not be deemed waived either by reason of Buyer's acceptance of said goods or of payment for them. Goods made in accordance with Buyer's specifications and drawings shall not be furnished or quoted to any other person or concern. All specifications, drawings, tools, jigs, dies, fixtures, materials and other items furnished by Buyer or the cost of which is charged against this order shall be held strictly confidential by Seller and shall be and remain the property of the Buyer, and must be returned to Buyer immediately upon request. Rights and obligations hereunder shall be in addition to and not in derogation of rights and obligations, if any, under other confidentiality agreements between the Buyer and Seller. Seller shall indemnify and save Buyer harmless from all claims, which may be asserted against said property, including without limitation, mechanic's liens or claims arising under Workmen's Compensation or occupational disease laws. None of the work contemplated as being performed by Seller under this order shall be subcontracted without prior written consent of Buyer.
- 3. INSPECTION:** Payment of invoice shall not constitute acceptance of goods covered by this order and shall be without prejudice to any and all claims of Buyer against Seller. All goods covered by this order shall be subject to Buyer's inspection and approval within a reasonable time after delivery. If specifications are not met, warranties are breached, or the goods shall be nonconforming to this order in any way, such goods may be returned at Seller's expense, including transportation charges both ways. Buyer, in addition to its other remedies at law or hereunder, shall have the right to have rejected goods replaced or not at Buyer's option and at the purchase price stated in the order and also the right to accept such part of any shipment which conforms to this order and reject any part not conforming to this order, and to consider the order breached to the extent of the amount of rejected material.
- 4. QUANTITIES:** The specific quantity ordered shall not be changed without Buyer's consent in writing. Buyer shall have no obligation with respect to goods shipped in excess of this purchase order. Buyer shall have the right to reject and return goods exceeding the quantity ordered at Seller's expense.
- 5. PRICE:** This order must not be filled at a higher price than shown hereon and than last quoted or charged by Seller unless a different price is stated on face of this order. No charges will be allowed for packing, crating, freight, express or cartage unless agreed to and specified by Buyer on this order. Seller agrees to bear the expense of insurance on shipment unless otherwise agreed to and specified by Buyer on this order.
- 6. TERMS AND INVOICES:** Seller warrants that the prices to be charged in accordance with the terms of this order will not be in excess of the permissible maximum prices, if any, established pursuant to law and pertinent government regulations and it effect on the date hereof or on the dates of delivery; and if hereafter it is found that said maximum prices have been exceeded, Seller agrees to reduce the prices charged and to refund the excess payments made retroactively, and to conform to the applicable law and regulations. Invoices shall (a) be rendered in triplicate; (b) cover not more than one order (c) be rendered with order number noted thereon; (d) be sent to the address hereon. Invoices, shipping notices and bills of lading shall be mailed within twenty four (24) hours after shipment. It is understood that the cash discount period shall be computed from date of receipt by Buyer either of acceptable invoice or of material, whichever is later. On all prepaid shipments chargeable to Buyer, Seller shall attach transportation receipt to invoice. On invoices returned for correction the cash discount period will date from the receipt of the corrected Invoice. Any indebtedness of Seller to Buyer may at Buyer's option, be set off and credited against Buyer's indebtedness to Seller.
- 7. DELIVERY:** Delivery shall be made at the place specified in this order. Material must be delivered within the time or on the date stated in this order, time being of the essence thereof. Buyer also reserves the right to refuse or return at Seller's risk and expense, shipments made in advance of the schedule of deliveries appearing on the face of the order or as later mutually agreed upon. Each package shall be numbered and labeled with Buyer's order number, stock number, contents and weight. An itemized packing slip shall be placed in each package. Each delivery shall be accompanied by a packing slip specifying the exact quantity and the descriptions of the delivery. Each packing slip shall bear Buyer's purchase order number. When goods are sold delivered, Seller shall ship prepaid; when sold FOB, shipping point, transportation charges shall be collect. Buyer's count or weight shall be final and conclusive on shipments not accompanied by packing lists. Seller agrees to report immediately any delay in shipment and any actual or potential labor dispute which is delaying or threatens to delay, shipment.
- 8. CHANGES AND ALTERATIONS:** Any change of instructions (or substitution of materials) without Buyer's written consent will be made at Seller's responsibility and risk. No changes in terms, conditions, prices or deliveries shall be made without Buyer's specific authorization therefore in writing; provided, however, that if the goods ordered hereunder are to be specifically manufactured in accordance with Buyer's drawings and specifications. Buyer shall have the right, by written order, to make changes in such drawings or specifications, and if such changes require a change in price or time for performance, Seller shall notify Buyer immediately and thereupon an equitable adjustment shall be negotiated.
- 9. ASSIGNMENT:** Neither this order, any interest herein nor any rights or obligations hereunder may be assigned by Seller, whether by operation of law or otherwise, without the prior written consent of the Buyer. Any assignment of monies due or payable hereunder shall be subject to set-off, recoupment or other claim of Buyer against Seller.
- 10. EXCISE TAXES:** All state and federal excise, sales and use taxes when applicable shall be stated separately on the invoices.
- 11. COMPLIANCE WITH LAWS:** By accepting this order, Seller represents and warrants that the goods furnished under this order have been, or will be manufactured and sold in compliance with all relevant Federal, state and local laws and regulations.
- 12. CANCELLATION:** Buyer reserves the right to cancel all or any part of the undelivered portion of this order without any liability of Buyer to Seller if Seller does not make deliveries as provided in this contract or if Seller breaches any of the terms hereof, including the warranties of Seller. Buyer shall also have the right to terminate this order or any part thereof in the event of the happening of any of the following: insolvency of Seller; filing by Seller of a voluntary petition in bankruptcy; filing of an involuntary petition to have Seller declared bankrupt, provided it is not vacated within 30 days from the date of filing; the appointment of a receiver or trustee for Seller, provided such appointment is not vacated within 30 days from the date of such appointment; the execution by Seller of an assignment for the benefit of creditors. The remedies provided in this section shall be cumulative and additional to any other further remedies provided in law or equity.
- 13. CONTINGENCIES:** Buyer reserves the right at its option, either to suspend shipments of goods covered by this order or to cancel this order, in whole or in part, at any time where such suspension or cancellation is caused by or reasonably results from United States Government orders or other requirements, embargoes, acts of the civil or military authorities, act of the public enemy, inability to secure transportation, facilities, strikes, differences with workmen, accidents at Buyer's works, or other contingencies, whether similar or dissimilar to the foregoing enumeration beyond the Buyer's control.
- 14. PATENT INDEMNITY:** Seller agrees to indemnify Buyer and/or any of its customers or users of its products against any claim or liabilities for or by reason of any asserted patent infringement arising from the manufacture, sale or of any goods furnished under this order, except insofar as said claims or liabilities arise directly from any special requirement specified by the Buyer and the Seller gives prompt notice of such claims to Buyer.
- 15. PATENT RIGHTS:** Patent rights to all improvements embodied in designs, tools, patterns, drawings, information and equipment supplied by the Buyer under this contract and exclusive rights for the use and reproduction thereof are reserved by the Buyer. Seller understands and agrees that the benefits of Buyer's design and manufacturing information shall not extend beyond the scope and subject matter of this order.
- 16. ADVERTISING:** Seller shall not without first obtaining the written consent of Buyer, in any manner advertise or publish the fact that Seller has furnished or contracted to furnish to Buyer the goods herein mentioned.
- 17. LIENS:** Seller agrees to deliver to Buyer the goods covered by this order free and clear of all liens, claims, and encumbrances.
- 18. INSURANCE:** Seller agrees to procure a policy or policies of insurance in form satisfactory to the Buyer, insuring all property, if any, on Seller's premises owned by Buyer against loss or damage resulting from fire (including extended coverage), malicious mischief and vandalism. Satisfactory evidence of procurement of such insurance shall be submitted to Buyer within a reasonable period of time after acceptance of this order.
- 19. ANTI-DISCRIMINATION:** in performing the work required by this order, Seller agrees that Seller shall not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. Seller shall include in all subcontracts a provision similar to the foregoing Ref. Exec. Order 11246.
- 20. INDEMNITY:** Seller agrees to hold Buyer harmless from and to indemnify Buyer for, any loss, expense, cost, or damage resulting from breach of any of Seller's warranties or agreements contained in this order.
- 21. EQUAL OPPOTUNITY:** Seller will comply with all applicable federal, state and local laws and regulations, guidelines and rules relating to: (i) equal employment opportunity including, without limitation, all requirements contained in or authorized by Federal Executive Order No. 11246 of September 24, 1956 and any amendments thereto; (ii) employment of qualified disabled veterans and veterans of the Vietnam era, including but not limited to, all requirements contained in or authorized by the Vietnam Era Veterans Readjustment Assistance Act of 1974, and any amendments thereto; and (iii) employment of the handicapped, including but not limited to all requirements contained in or authorized by the Rehabilitation Act of 1973, and any amendments thereto. The following clauses and regulations, except to the extent the Subcontractor is exempt therefrom, are hereby incorporated herein by reference thereto: (i) the applicable Equal Employment Opportunity Clause contained in 41 CFR, Sec. 60-1.4; (ii) the Affirmative Action Clause covering the employment of qualified disabled veterans and veterans of the Vietnam era and the regulations contained in 41 CFR, Sec. 60-250; and (iii) the Affirmative Action Clause covering the employment of handicapped workers and the regulation contained in 41 CFR Part 60-741.
- 22. TERMINATION:** (a) Convenience: This Order may be terminated in whole or in part at any time for the convenience of Buyer. Upon notice of termination Seller shall promptly stop work on the Order as directed by Buyer. Within one (1) month of the effective date of termination of the Order Seller shall submit its termination claim in such form and with such certification as maybe requested by Buyer. The termination claim shall be limited to the actual costs incurred by Seller through the effective date of the termination properly allocable or apportionable under recognized commercial accounting practices to the terminated portion of this Order. The termination claim shall exclude any charges for interest or material or parts which can be delivered or diverted to other orders of Seller. In no event will Seller be paid anticipatory profits. The total amount of such termination claim shall not exceed the pro rata portion of the Order which is cancelled. All completed or partially completed items and all material for which compensation is claimed shall be delivered to Buyer or disposed of as directed by Buyer, otherwise, Buyer shall not be obligated to make a termination payment. In the event this Purchase Order is being issued under a contract with the U.S. Government, the parties shall be governed by the provisions of the clause set forth in Subsection 52.249 - 2 of the Federal Acquisition Regulations ("FAR") as in effect on the date of this order, which clause is incorporated herein by reference; provided, however, that all references in such clause to the government or any of its boards or officers are deleted, and all reference therein to the Government or the Contracting Officer shall mean Buyer or its designees (including the Government or its representatives) if so designated by Buyer. (b) Default: Buyer reserves the right to terminate this order in whole or in part by written or telegraphic notice for Seller's default (i) if Seller fails to make progress so as to endanger performance hereunder or (ii) if Seller becomes insolvent or suspends any of its operations or if any petition is filed or proceeding commenced by or against Seller under any state or federal law relating to bankruptcy arrangement reorganization, receivership or assignment for the benefit of creditors. Any such termination will be without liability to Buyer except for items delivered and accepted by Buyer, payment for which can be set off against any damages to Buyer. Buyer may require Seller to transfer title and deliver to Buyer any and all property produced or procured by Seller for performance of the work terminated and Seller shall be credited with the reasonable value thereof not to exceed Seller's cost or the contract price, whichever is less. Seller will be liable for damages caused by or resulting from its default including but not limited to excess costs or procurement. If, after a default termination, it is determined that Seller was not in default, the termination shall be considered to have been made pursuant to Subparagraph a. of the clause. (c) To the extent this order is not terminated pursuant to Subparagraphs a or b above, Seller shall continue performance.