



PURCHASE ORDER TERMS AND CONDITONS

1. ACCEPTANCE OF PURCHASE ORDER: This purchase order constitutes Buyer's offer to Seller upon the terms and conditions stated herein and in to body of the order as shall become a binding contract upon acceptance thereof either by acknowledgement or performance. Said offer is limited to said terms and condition and no deviation there from shall be acceptable.

2. MODIFICATION/CHANGES: This purchase order constitutes the entire agreement between Buyer and Seller superseding all prior communications and/or agreements between the parties. All telephone orders must be confirmed by Buyer in writing. The purchase order may only be modified in writing signed by both parties. Buyer may, by written notice, change specifications or other terms contained on the obverse hereof or suspend work on items ordered. Upon receipt, Seller shall notify Buyer immediately of any increase of decrease in the cost or time of performance. Buyer may cancel this order with or without cause at any time. Buyer will not be liable for the purchase price or other costs or damages.

3. PRICES: (a) Net prices shall not exceed those appearing opposite each time hereon and if seller sells to any other comparable customer at lower net prices than offered herein Seller agrees to immediately make such prices available to Buyer. (b) in the event that this purchase order is a blanket order and is subject to release(s) during the period specified hereto agree that the price(s) shown on this purchase order shall remain firm for all requirements (quantities) released pursuant to this purchase order for the duration of this purchase order as specified hereon except that the parties may negotiate price changes or a lower price may be required to subparagraph (a) above in which event an amendment hereto will be issued. (c) Shipments shall not be made at prices higher than specified. (d) No box crating or transportation charges will be allowed. (e) Buyer shall not pay for goods exceeding the quantity ordered.

4. WARRANTY: Seller expressly warrants that items covered by the purchase order will be merchantable fit and sufficient for the purpose intended and will be of good material and workmanship and free from defects and if ordered to Buyers description will conform to the design, specifications, drawings, blueprints, samples, or other technical description furnished or adopted by Buyer. The warranty shall run to buyer its successors, assigns, dealers, agents, customers, and users of its products. Seller will save indemnify and hold Buyer harmless against liability arising out of the violation of any U.S. or Foreign patent with respect to any goods or services purchased by Buyer hereunder.

5. INSPECTION: (a) Seller Agrees all items shall be subject to inspection and test by Buyer at Seller's plant and/or the point of destination as Buyer may elect notwithstanding prior payment if any items are determined to be defective in material, workmanship, or design (if item is Seller's design and specification) or otherwise fail to meet the requirements of this purchase order, Buyer shall have the right to reject and return such defective items to Seller at Sellers expense, Seller paying transportation charges both ways unless Seller shall direct Buyer to scrap or rework such items at destination or Buyers plant. Seller shall promptly correct or replace such returned and/or scrapped items at Sellers expense; items shall not be replaced except on receipt of replacement purchase order from buyer. If Seller shall fail to perform Buyer may cancel the then remaining balance of this purchase order. Buyer reserving in either or both cases of cancellation all other legal rights and remedies available to it because of such failure to perform. (b) If this order is for machinery, tools, or equipment special or otherwise:

(I) initial testing of such items will be at Seller's factory in the presence of Buyer's engineers; Seller will then supervise, at its expense, the installation and initial operation of such items at Buyer's plant. Such items will be accepted only after all necessary corrective adjustments relating to mechanical operations, capacity, or any other matter, have been made by seller at its expense and such items have been in

satisfactory production use for at least (30) days and Buyer will not be requested to make payment prior to such date.

(II) Seller specifically warrants that for a reasonable period of time after being placed into regular production use, such items will, when operating under Buyers production conditions perform for purpose intended to be performed by such items in a manner consistent with Buyers production and quality requirements.

(III) Approval by Buyer of construction drawings and any other materials relating to design or construction of such items is merely advisory on Buyer's part and shall in no way relieve Seller or its warranties.

6. DEFECTS AFTER ACCEPTANCE: If any of the items which have been inspected, tested, and accepted by Buyer fail to meet the warranty contained in Paragraph 5. Seller, upon notice thereof from Buyer, shall promptly correct or replace the same at Seller's expense and reimburse Buyer for incidental or consequential damages suffered by Buyer as direct or indirect purchaser from Buyer. If Seller shall fail to perform, Buyer may cancel this purchase order as to all such items, and in addition, may cancel the then remaining balance of this purchase order, Buyer reserving in either or both cases of such cancellation all other legal rights and remedies available to it because of such failure to perform. After notice to Seller all such items will be held at Sellers risk. Buyer may return such items to Seller at Seller's risk, and all transportation and related charges both to and from the original destination shall be paid by Seller. Defective items returned to Seller and/or defective items scrapped by Buyer at Seller's direction shall be deducted from total shipments in determining the undelivered balance or any under the purchase order.

7. TITLE: Buyer shall at all times have title to all drawings and specifications furnished by Buyer to Seller and intended for use in connection with this purchase order. Seller shall use such drawings and specifications only in connection with this order and shall not disclose such drawings and specification to any person, firm or corporation other than Buyer's or Seller's employees,