

PURCHASE ORDER TERMS AND CONDITIONS (Buyer)

1) ACCEPTANCE

This purchase order becomes a binding contract on the terms set forth herein when Seller accepts it commencement of performance thereof, unless Buyer is otherwise notified in writing within 5 days by the Seller. No revisions to the order shall be valid unless in writing and signed by an authorized representative or acknowledging this order shall be binding unless accepted in writing by authorized representative of Buyer.

2) WARRANTY

Seller expressly warrants that all material and work covered by this purchase order will conform to applicable specifications, drawings, samples or other description workmanship and free from latent or patent defects. Such warrant shall survive delivery and shall not be deemed waived either by reason of the acceptance of said materials or articles covered by this purchase order are manufactured completely to detailed design furnished by Buyer, Seller assumes design responsibility and warrants that all Goods provided will be new, not used or refurbished. Seller warrants that all Goods delivered shall conform to all applicable specifications for a period provided by Manufacturer's warranty, whichever is greater. The warranties of the Seller shall apply to the Buyer, its successors, assignees, and customers.

3) INSPECTION

All goods and services will be subject to inspection and test by Purchaser at all times and places, including the period of manufacture and in any event prior to final acceptance. Final acceptance or rejection of the goods or services will be made as promptly as practical after delivery except as otherwise provided in this Order, but failure to inspect and accept or reject goods or services or failure to detect defects by inspection, will neither relieve Seller from responsibility for such goods or services as are not in accordance with this Order nor impose liabilities on Purchaser for them. Purchaser's payment for the goods shall not constitute its acceptance of the goods. Goods rejected and goods supplied in excess of quantities ordered may be returned to the Seller at Seller's expense. Payment, if any, made for any goods rejected hereunder shall be promptly refunded by Seller. Seller will provide and maintain an inspection and process control system acceptable to Purchaser covering the goods and services ordered. Records of all inspection work by Seller will be kept complete and available to Purchaser during the performance of this Order and for seven (7) years after Seller's completion of this Order. If any of the goods or services are found at any time to be defective in material or workmanship, or otherwise not in conformity with the requirements of this Order, including any applicable drawings and specifications, then Purchaser, in addition to such other rights and remedies it may have by contract or by law or equity, at its sole discretion may reject and return such goods at Seller's expense, require Seller to inspect the goods and remove nonconforming goods and/or require Seller to replace nonconforming goods or services with conforming goods or services. If Seller fails to make the necessary inspection, removal, and replacement in a time and manner satisfactory to Purchaser, Purchaser may at its option inspect and sort the goods; Seller will pay any related costs.

4) DELIVERIES

Delivery must be effective within the time stated on this purchase order. Failing to meet the agreed time frame could result in (a) Seller shall be responsible to Buyer for all loss, damage and transportation and other costs incurred in expediting deliveries, and, in addition, (b) Buyer reserves right at its option, to cancel order and charge Seller with all loss and damages incurred.

5) BUYER-FURNISHED MATERIAL

All material, including tools, furnished or paid for by Buyer, title is deemed the Buyer. Upon completion of the purchase order, said material and tools shall be delivered to Buyer. No design, pattern, tool or drawing furnished by the Buyer to manufacturer the item covered hereby, shall be used for manufacturing any other article for any other purchase unless authorized by Buyer in writing. Whenever Seller has in its possession any property belonging to Buyer, Seller shall be

deemed an insurer thereof, and shall be responsible for its prompt return to Buyer on and extended coverage, war damage, and malicious damage insurance covering all material and equipment delivered by or for the account of Buyer.

6) PATENTS

Seller expressly warrants to Buyer that it has adequate patent rights to manufacture and shall hold and save Buyer, its successors, assigns, customers and all persons assertion of any patent rights with respect to articles furnished under this purchase order, except where such articles are developed especially for Buyer.

7) DAMAGES

Seller agrees to hold Buyer harmless against all loss, cost, damage and expense, including loss or profits suffered by Buyer under its prime contract, reasonable delays in deliveries by Seller.

8) PRICES

This Order must not be filled at a price higher than shown on the face of the Order. If no price is set forth on the front of the Order, the goods or services will be billed at the price last quoted or at the prevailing market price, whichever is lower, and, in any event, goods and services ordered under this Order will not be billed at a higher price than last quoted or charged without Purchaser's specific written authorization. Purchaser will be entitled at all times to set off any amount owed at any time by Seller or any of its affiliates to Purchaser or any of its affiliates against any amount payable at any time by Purchaser in connection with this Order. No extra charges of any kind will be allowed unless specifically agreed to in writing by the Purchaser. All applicable taxes arising out of transactions contemplated by the Order will be borne by Seller except as otherwise specified by the parties in writing. If Seller reduces its prices for such goods and/or services during the term of this Order, Seller shall correspondingly reduce the prices of goods and/or services sold thereafter to Purchaser under this Order.

9) CHANGES

Buyer reserves the right to make changes in the drawings and specifications. If, by reason of any such changes so ordered in writing, the cost of furnishing the items be increased or decreased, the price and time for delivery stated herein shall be equitably adjusted. Buyer shall not be obligated to pay any amount in excess of the Seller unless Seller shall give written notice to Buyer of its claim to an adjustment within ten days from the date of such change. Buyer reserves the right to reschedule.

10) ASSIGNMENT

Seller shall not assign this contract or sub-contract all or any part hereof without prior approval of Buyer in writing.

11) CONFIDENTIALLY

Seller shall not use or disclose any data, designs, drawings, or other information belonging to, supplied by or on behalf of Buyer. This order is confidential, and seller shall not, without prior consent of Buyer, disclose any information relative to or derived under this order, except as may be required to ensure performance.

12) EQUAL EMPLOYMENT OPPORTUNITY

Buyer is a Government contractor and is subject to the requirements of Executive Order 11246, the Rehabilitation Assistance Act. Pursuant to these requirements, the Equal Opportunity Clauses found at 41 Code of Federal Regulations sections 60-1.4(a) (1-7), 60-250.4 (a-m) and 60-741.5 (a) (1-6) are incorporated herein by reference as though set forth at length, and made an express part of this Agreement. If applicable, Seller will comply with the following Federal Acquisition Regulations: (i) 52.222-26 "Equal Opportunity", (ii) 52.222-35 "Affirmative Action for Special Disabled and Vietnam Veterans", (iii) 52.222-36 "Affirmative Action for Handicapped Workers."

13) TERMINATION FOR DEFAULT

Buyer may, by written Notice of Default to Seller, terminate this Contract in whole or in part, or, at Buyer's sole discretion, if the Seller fails to: (i) deliver the goods or to perform the services within the time specified in this Contract or any extension; (ii) make progress, so as to endanger performance of this Contract; or, (iii) perform any of the other provisions of this Contract. (b) Buyer may require Seller to transfer title and deliver to Buyer, in the manner and to the extent directed by Buyer, any partially completed goods and raw material, parts, tools, dies, jigs, fixtures, plans, drawings, services, information and contract rights (Materials) as Seller has produced or acquired for the performance of this Contract, including the assignment to Buyer of Seller's subcontracts. Seller further agrees to protect and preserve property in the possession of Seller in which Buyer has an interest. Payment for completed Goods delivered to and accepted by Buyer shall be at the Contract price. Payment for unfinished Goods or Services, which have been delivered to an accepted by Buyer and for the protection and preservation of property, shall be at a price determined in the same manner as provided in the Termination for Convenience provision hereof except that Seller shall not be entitled to profit. Buyer may withhold from Seller moneys otherwise due Seller for completed Goods and/or Materials in such amounts as Buyer determines necessary to protect Buyer against loss due to outstanding liens or claims against said goods and Materials. Seller shall promptly notify Buyer is Seller is the subject of any petition in bankruptcy. In the event of Seller's bankruptcy, Buyer may require Seller to post such financial assurance, as buyer, in its sole discretion, deems necessary. Failure to post such financial assurance upon ten (10) days written notice shall constitute a default under this Contract. The rights and remedies of Buyer in this clause are in addition to any other rights and remedies provided by law or under this Contract.

14) TERMINATION FOR CONVENIENCE

Buyer may, by notice in writing, direct Seller to terminate work under this Contract in whole or in part, at any time, and such termination shall not constitute default. In such event, Buyer shall have all rights and obligations accruing to it either at law or in equity, including Buyer's rights to title and possession of the goods and materials paid for. Buyer may take immediate possession of all work so performed upon notice of termination. Seller shall immediately stop work and limit costs incurred on the terminated work. If such termination is for the convenience of the Buyer, Buyer, after deducting any amount(s) previously paid, shall reimburse Seller for the actual reasonable, substantiated and allowable costs with the total amount to be paid by the Buyer being determined by negotiation.

15) SUBSTITUTIONS

No change or substitution shall be made to the items listed on this PO without notification and written approval of the Buyer.

16) END OF LIFE NOTIFICATION

Seller upon receipt of this PO shall advise Buyer if items have a foreseeable end of life. Seller shall provide Buyer with last time buy quantity, last time buy date, and last time ship date.

17) COMPLIANCE WITH LAWS

Seller represents and warrants that it is in compliance with and all goods and/or services supplied hereunder have been produced or provided in compliance with the applicable provisions of all federal, state, or local laws or ordinances and all related lawful orders, rules and regulations. Seller shall comply with any provisions, representations, or agreements, or contractual clauses required to be included or incorporated by reference or operation of law in any Order. Seller shall be required to obtain and pay for any license, permit, inspection or listing by any public body or certification organization required in connection with the manufacture, performance, completion or delivery of any good and/or service.

18) ORDER of PRECEDENCE

In the event of a conflict between these Terms and Conditions and other portions of the Contract, the order of precedence shall be: any typed provisions on the face of Buyer's purchase order specifically modifying the terms of this Contract these Terms and Conditions.

19) INDEMNIFICATION

Seller shall indemnify and hold Purchaser and its affiliates harmless and, on Purchaser's request, shall defend each of them from and against any or all third party claims, demands, litigation, or proceedings of whatever kind, whether based upon negligence, breach of express or implied warranty, strict liability, infringement of intellectual property rights, or any other theory, and from and against all direct, indirect, special, exemplary, incidental or consequential damages of every kind whatsoever, arising out of, by reason of, or in any way connected with the goods and/or services, the design, manner of preparation, manufacture, construction, completion, or delivery or non-delivery of any goods and/or services by Seller, any breach by Seller of any of its obligations hereunder, or any other act, omission or negligence of Seller or any of Seller's employees, workers, servants, agents, subcontractors, or suppliers. Seller shall, on request, pay or reimburse Purchaser or any other party entitled to indemnification hereunder for all costs and expenses, including attorneys' fees, as incurred by Purchaser or such other party in connection with any such claim, demand, litigation, proceeding, loss, or damage. In addition, for infringement claims, Seller will, at its own expense and at Purchaser's option, either procure for Purchaser the right to continue using the allegedly infringing item, replace it with a non-infringing equivalent, or remove it and refund the purchase price and the transportation and installation costs thereof.

20) LIMITATION OF LIABILITY

Purchaser's aggregate liability arising from or relating to this order is limited to the amount paid by purchaser for the goods and/or services. To the maximum extent allowable under applicable law, purchaser shall not be liable under this order for any special, incidental, consequential, indirect, or punitive damages including, without limitation, lost revenues even if purchaser has been advised of the possibility of such damages.