

1. ACCEPTANCE AND MODIFICATION OF AGREEMENT

No written response within 30 days constitutes acceptance of terms and conditions hereof. Any acknowledgment form or other form of Seller containing terms and conditions of sales shall not have the effect of adding to, modifying or deleting the terms and conditions hereof.

2. DELIVERY

Purchaser requires 100% on time delivery. Time of delivery is and shall remain the essence of this P.O. Default in delivery caused by acts of God and other causes beyond Seller's control and without it's fault and negligence shall not make Seller liable therefore, provided Seller immediately notifies Purchaser of said event and the estimated delay in delivery. Purchaser shall have the right to cancel all or any portion of this P.O. which has not been delivered on time. Acceptance by Purchaser of a late delivery of either whole or a part of the P.O. shall not constitute a waiver of its claim for damage caused it by the late delivery nor its rights to cancel the remaining portion of the P.O. If deliveries are behind schedule, Purchaser may request Seller to ship by express in such event, such deliveries shall be made by express and Seller shall pay for the difference between the freight and the express rate.

3. SHIPPING AND PACKING

All items ordered shall be suitably packed and marked for shipping. Where applicable, please refer to taping specifications document #70. Purchaser shall not be charged for any packing, marking, or boxing not separately itemized hereon. Seller shall be liable to Purchaser for any loss or damage resulting from Seller's failure to provide adequate protection during shipment. Purchaser and Seller shall assist each other, including the procuring of any documents or information, in filing and/or prosecuting any claims against carriers or other arising out of any such shipment.

4. INVOICES

Invoices (except dating) are paid less cash discount on the face hereof. Taxes, if any, must be separately itemized. Date for calculation of cash discounts shall be (i) date material is received; (ii) date P.O. scheduled delivery or (iii) date a proper invoice is received whichever is later.

5. OVERSHIPMENTS

Materials shipped on the P.O. must not be in excess of quantity ordered unless authorized by Purchaser in writing. Overshipments may be returned at Seller's expense.

6. WARRANTIES

In addition to its standard warranty and/or service guaranty, if any, Seller also warrants that all goods supplied hereunder shall:

- (a) be free and clear of all liens and encumbrances, goods and merchantable title thereto being in the Seller;
- (b) be free of any defects in design, material or workmanship and of good and merchantable quality;
- (c) conform to Purchaser's drawings and specifications, if any, whether set forth herein or in any documents attached to or referred to herein; and to any sample approved by Purchaser;

(d) be fit and safe for all purposes for which the same are purchased hereunder, and of which Seller shall have been informed by Purchaser or shall be otherwise aware, and;

(e) comply and have been produced, processed and delivered in conformity with all applicable Federal, State or other laws, administrative regulations and orders.

The foregoing warranties shall survive inspection, delivery and payment. Purchaser shall have the right to return all defective items to Seller at Seller's expense for repair, replacement or refund at Purchaser's option as well as other remedies permitted by law.

7. PROPRIETARY INFORMATION

All specifications, drawings, designs, know-how, trade secrets, customer lists, sales information, technical data, inventions or other proprietary information which are disclosed by Purchaser to Seller, or which are developed by Purchaser or Seller in connection with the subject matter of this contract, shall be the sole and exclusive property of Purchaser, and Seller agrees to retain all such proprietary information in confidence and not to disclose it to other parties.

8. MATERIAL FURNISHED BY PURCHASER

Any material, tools and equipment furnished by Purchaser on other than a charge basis in connection with this P.O. shall be deemed to be bailed to Seller for mutual benefit and title thereto shall remain in Purchaser. Seller shall be responsible for any loss or damage thereto and shall keep all materials, tools and equipment in which Purchaser has an interest insured against risk of loss or damage, for their value at Seller's expense while they are in Seller's possession. Any remaining material, tools and equipment shall be immediately returned to Purchaser F.O.B. Seller's facility, properly packed, upon receipt of Purchaser's written directions.

9. PRICE

If price is omitted, it is agreed that Seller's price will be Seller's lowest prevailing price provided such price is not higher than previously quoted to or charged Purchaser. If the price is to be higher, Seller must obtain Purchaser's written agreement to the higher price.

10. INDEMNITY INSURANCE

Seller, its heirs, successors, assigns and legal representatives, shall forever protect, indemnify and save harmless Purchaser, its subsidiaries and affiliated companies, their successors, assigns, customers and users of their products, against all damages, claims, suits at law or in equity, demands or losses of any kind arising out of, or alleged to have arisen out of, or in connection with Seller's performance or lack of performance of this contract. This obligation shall include the costs arising out of or in connection with Purchaser's voluntary or involuntary recall, recovery or withdrawal of products in compliance with any Federal, State or local laws, orders or regulations.

11. PATENTS, TRADEMARKS AND TRADENAMES

Seller agrees to indemnify and save harmless the Purchaser, its officers, agents, successors, assigns and customers against all damages, claims, demands, attorney's fees and costs of any kind for actual or alleged infringement of any trade-names, trademark and patent or patents (unless the goods ordered are of Purchaser's design) because of the possession, sale or use of any material specified herein.

12. TERMINATION AT PURCHASER'S OPTION

Purchaser may terminate the P.O. in whole or in part by written notice of termination, whereupon Seller will terminate pursuant to the notice all work started under the P.O. Seller will promptly advise Purchaser of the quantities of applicable work and material on hand purchased prior to termination and the most favorable disposition that Seller can make thereof. Seller will comply with Purchaser's instructions regarding disposition of such work and material. Within 90 days after receipt of such notice of termination, Seller will submit all its claims pursuant thereto. Purchaser will have the right to check such claims at any reasonable time by inspecting and auditing the records, facilities, work or materials of Seller relating to th PO. Purchaser will pay Seller the P.O. price of finished work and the cost to Seller (excluding profits and losses) of work in process and raw material, based on any audit Purchaser may conduct and generally accepted accounting principles; less, however (1) the reasonable value or cost (whichever is higher) of any items used or sold by Seller without Purchaser's consent; (2) the agreed value of any items used or sold by Seller with Purchaser's consent; and (3) the value of any defective, damaged or destroyed work or material. Purchaser will make no payment for finished work, work in process or raw material fabricated or procured by Seller in excess of Purchaser's written release. Payment made under this clause will constituted Purchaser's only liability in the event the P.O. is terminated as provided herein. Seller's acceptance of such payment will constitute an acknowledgement that Purchaser has fully discharged such liability. In addition to all rights and remedies conferred on the Purchaser hereunder. Purchaser shall have all of the rights and remedies provided by the Uniform Commercial Code.

The provision of this clause will not apply to any termination by Purchaser for default by Seller or for any other cause allowed by law or under this P.O.

13. TERMINATION FOR DEFAULT

Purchaser shall have the unrestricted right to terminate this P.O. upon the happening of any one or more of the following events: (1) Seller's insolvency or commission of an act of bankruptcy; (2) filing a voluntary or involuntary petition of bankruptcy by or against Seller; (3) appointment of a receiver for Seller by any court of competent jurisdiction; (4) Seller's failure to make deliveries within the time specified by the P.O.; (5) Seller's failure to perform any other provisions of this P.O. The acceptance of goods or performance after the occurrence of any of the above enumerated events shall not affect the right of Purchaser to terminate under this paragraph.

14. COMPLIANCE WITH LAW

Seller agrees that the goods and/or services rendered pursuant to the P.O. will be produced and/or rendered in accordance with all applicable Federal, State and local laws, orders and regulations and safety requirements as they may be issued and/or amended from time to time. If P.O. is issued under Governmental contracts and/or subcontracts, the attached "Government Terms and Conditions" shall also apply.

15. NON-DISCRIMINATINO IN EMPLOYMENT

The Seller agrees that in performing any and all work hereunder, it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age or disability, nor will it discriminate against

any employee or applicant for employment because he or she is a disabled veteran of the Vietnam era. Seller shall abide by the provisions of all executive orders relating to non-discrimination including, but not limited to, the provisions of Executive Order No. 11246 as amended and in particular Sections 202 and 203 thereof when applicable and shall abide by the provisions of all applicable governmental regulations pertaining to non-discrimination.

16. CHANGES

Purchaser may at any time make changes in the drawings, specifications, samples, quantities, delivery schedules, shipments or other description to any article, material and work covered by this P.O. If any such change causes an increase or decrease in the amount due under this P.O. then an equitable adjustment shall be made by mutual agreement, reduced to writing and executed by authorized representatives of both parties. Any claim by Seller for adjustment under this clause must be asserted in writing within 30 days from the date of the receipt by the Seller of the notification of change.

17. WAIVERS

Any waiver of strict compliance with the terms of this P.O. shall not be a waiver of Purchaser's right to insist upon strict compliance with the terms of this P.O. thereafter.

18. PERFORMANCE BY SELLER

This P.O. is issued to Seller in reliance upon Seller's personal performance of the duties imposed and by accepting same Seller agrees not to assign this order or delegate the performance of its duties without consent in writing of Purchaser. Any such assignment or delegation attempted without the previous written consent in writing of Purchaser shall be null and void, at the option of Purchaser a cancellation of all Purchaser's obligations hereunder.

19. QUALITY VERIFICATION

Purchaser and/or Purchaser's customer can verify product for quality at Seller's site.

20. WORK ON PURCHASER'S PREMISES

If any work under this P.O. is to be performed on Purchaser's premises Seller agrees to defend, indemnify, and hold harmless Purchaser from and against all claims, losses or damages due to injury or death to any persons, including Seller's agents, servants or employees, and damage to or the destruction of any property resulting from the Seller's negligent acts or omissions incident to or arising out of such work.

21. USE OF NAME, TRADE-NAME AND TRADEMARKS

(a) unless authorized by Purchaser in writing the name of purchaser, its patent, subsidiaries, and/or any affiliated corporations or any of their trademarks shall not be used by Seller; (b) if the material specified within this P.O. is peculiar to Purchaser's design, either as an assembly or component part of any assembly, or if the material bears Purchaser's Trade-Mark and/or identifying Mark, it shall not bear the Trade-Mark or other designation of the Maker or Seller and similar material peculiar to the Purchaser's design or bearing its Trade-Mark or identifying Mark shall not be sold or otherwise disposed of to anyone other than Purchaser.