

# CONDITIONS AND INSTRUCTIONS

1. **PRICES.** This order must not be filled at prices higher than those last quoted or charged to Buyer or as specified herein unless otherwise agreed in writing.
2. **QUANTITIES.** Shipments must equal exact amounts ordered unless otherwise agreed in writing. Materials shipped in excess of quantities ordered may be returned at Seller's expense.
3. **DELIVERY.** If delivery dates cannot be met, inform Buyer in writing by return mail of Seller's best possible delivery for Buyer's approval. The dates of delivery and quantities herein specified are of the essence of this order and delivery must be effected within the time specified. If deliveries are not made on time and in the quantities specified, Buyer reserves the right to cancel and to purchase elsewhere and hold Seller accountable therefor.
4. **ASSIGNMENT.** Neither this order nor any part thereof, nor the account receivable, in whole or in part, represented by this order shall be assigned by the Seller without the written consent of the Buyer. All claims for monies due, or to become due, from Buyer shall be subject to deduction by Buyer for any set off or counterclaim arising out of this or any other of Buyer's orders or transactions with Seller, whether such set off or counterclaim arose before or after any such assignment by Seller.
5. **CHANGES.** Buyer shall have the right, by written order, to make from time to time and without notice to any sureties or assignees, changes as to packing, testing, destination, specifications, designs and delivery schedule (postponements only). If such changes cause an increase or decrease in the amount due under the order or in the time required for delivery an equitable adjustment shall be made, and the order shall be modified in writing.
6. **WARRANTY.** Seller expressly warrants all material and work covered by this order to be free from defects in material and workmanship and to be of quality, size, description and dimensions required, and this express warranty shall not be deemed waived by reason of either or both the receipt of said articles and payment thereof by Buyer. The foregoing is in addition to all other warranties, expressed and implied, applicable to items purchased hereunder.
7. **INSPECTION AND REJECTION.** All material furnished will be subject to inspection and approval before acceptance by Buyer after delivery. Buyer reserves the right to reject any material which does not fulfill the specifications of this order or time of delivery and (1) to return rejected material to Seller at Seller's risk and expense for full credit at the order price, without prejudice to any right to damages, for such breach, or (2) to require Seller at Seller's expense to replace rejected material at the unit price of this order, or (3) to consider this order breached as to the rejected quantity and cancelled as to any unfilled portion of this order, and to hold Seller fully liable for such breach and cancellation, or (4) Buyer may rework as provided in Paragraph 8. In cases where rejection of articles and materials exceeds a normal percentage of the total inspected, Buyer shall have the right to conduct in Buyer's inspection department, 100% or such other inspection as Buyer deems necessary and Seller agrees to reimburse Buyer for the entire cost of such inspection.
8. **REWORK ON DEFECTIVE PARTS.** When Buyer's production schedule, in Buyer's judgment, requires Buyer to perform additional work or rework on defective or incorrect parts to make them usable to Buyer, Seller agrees that Buyer may perform such work at the expense of Seller, and that the performance of work on such parts by Buyer shall no way invalidate any warranty of quality on the material.
9. **DRAWINGS.** The Seller agrees that it will, at the Buyer's request, promptly return to the Buyer all drawings, specifications and other data or papers furnished by the Buyer to the Seller in connection with this order, together with all copies of reprints in its possession or control, and the Seller shall not thereafter make any further use, either directly or indirectly, of any such drawings, specifications, data or papers, or of any information derived therefrom without the Buyer's prior written consent. When Buyer has supplied blueprints or specifications, receipt by Seller of written approval of sample(s) which may not conform in all respects to Buyer's blueprints or specifications shall not be deemed a waiver by Buyer or any specification either by itself or included in Buyer's blueprint unless specifically waived by Buyer in writing.
10. **TOOLS.** All tools, dies, patterns, molds, gauges, jigs, fixtures and the like, required to execute this order are to be supplied by Seller. All such material if furnished or specifically paid for by Buyer, shall be the property of Buyer, shall be subject to removal at any time without additional cost upon demand by Buyer, shall be used only in filling orders from Buyer, shall be kept separate from the other materials or tools and shall be identified as the property of Buyer. Seller assumes all responsibility for loss or damage with the exception of normal wear and tear, and agrees to maintain such equipment and keep it in satisfactory working conditions at its sole cost and expense.
11. **MATERIAL.** Any material supplied by Buyer for use on this order, on other than a charge basis, shall be deemed as held by Seller on consignment, and Seller agrees to pay for all such materials spoiled, or not otherwise satisfactorily accounted for, and to keep such material (a) fully insured at Seller's cost for benefit of Buyer and (b) separate from other materials and identified as the property of Buyer.
12. **PATENTS.** Seller guarantees that the articles furnished against this purchase order, and the sale of use of them, will not infringe any United States or foreign letters Patent copyright or trademark, and in the event of any claim of such infringement against Buyer or Buyer's customers based on articles furnished by Seller or using or selling any item furnished hereunder. Seller agrees to repurchase such articles from Buyer at the order price, and to indemnify and save harmless Buyer and all said customers, from all expenditures of any nature whatsoever incurred by Buyer and/or them on account thereof including but not limited to those incurred: in investigation of such claims, in preparation for, and in defense against the same, and/or in payment or settlement thereof, whether or not civil actions or other legal proceedings to enforce such claims have begun. Seller agrees to furnish to Buyer in writing the numbers of all patents pertaining to the articles furnished hereunder.
13. **TERMINATION FOR DEFAULT.** Unless Seller's failure to perform hereunder arises out of causes beyond the control and without, the fault or negligence of Seller, buyer may by written notice of default to Seller, terminate the whole or any part of this order if (i) Seller fails to make delivery of the supplies or to perform the services within the time specified herein; or (ii) Seller fails to perform any of the other provisions of this order, or so fails to make progress as to endanger performance of this order in accordance with its terms; or the Seller becomes insolvent or the subject of proceedings under any law or proceeding relating to bankruptcy or the relief of debtors. Buyer may procure, upon such terms and in such terms and in such manner as the Buyer may seem appropriate, supplies or services similar to these so terminated, and the Seller shall be liable to the Buyer for any excess costs for such similar supplies or services. Seller shall continue performance of this order to the extent so terminated. In case of termination Buyer may require Seller to transfer title and delivery to the Buyer, in the manner and to the extent directed by the Buyer, all materials, work in process completed supplies, tooling, plans, drawings, information and contract rights as Seller has produced or acquired for the performance of the terminated part of the order; and Buyer will pay Seller the fair value of such items. Buyer's rights and remedies under this clause are in addition to and not in lieu of any other rights and remedies provided by law or under this order.
14. **MODIFICATIONS.** This contract contains the entire agreement between Buyer and Seller. No agreement or other understanding in any way modifying the conditions of this contract shall be binding upon Buyer unless made in writing and signed by an authorized representative of Buyer. Buyer shall not be bound by any terms or conditions on Seller's acknowledgment forms, invoices or other communications of Seller, unless acceptance of such terms or conditions is expressly made by Buyer in writing in an instrument pertaining to such acceptance only. In no event, shall an acknowledgment or receipt of any materials by Buyer be deemed to be an acceptance of any such terms or conditions. The foregoing provision cannot be waived except by express written terms. No waiver by either party of any default on the part of the other party shall be deemed a waiver of any subsequent default.
15. **INTERPRETATION OF CONTRACT.** Buyer and Seller agree that this order and the acceptance thereof shall be contract made in the state shown in the Buyer's address on the face of this order, and governed by the laws thereof.
16. **PAYMENTS.** Payment period shall commence with the date of receipt of purchase invoice by the Chief Financial Officer or his Designee or receipt of shipment, whichever is later. Payment shall be without prejudice to Buyer's rights and shall not be deemed evidence of acceptance. The right of payment is contingent upon acceptance.
17. "Vendor warrants that all material supplied and services rendered in filling this Purchase Order will conform and comply with all applicable provisions of governmental laws, ordinances, rules and regulations including, but not limited to safety standards established by the Federal Occupational Safety and Health Act."