

PURCHASE ORDER TERMS AND CONDITIONS

THESE TERMS AND CONDITIONS SHALL EXCLUSIVELY GOVERN ANY CONTRACT RESULTING OR ARISING OUT OF A PURCHASE ORDER SUBMITTED BY J.L. CLARK ("BUYER"). THESE TERMS AND CONDITIONS SHALL SUPERCEDE AND REPLACE ALL OTHER INCONSISTENT DOCUMENTS OR OTHER AGREEMENTS, STATEMENTS OR PROPOSALS (INCLUDING THOSE IN ANY DOCUMENT SUBMITTED BY VENDOR AS PART OF ITS ACCEPTANCE OF THIS PURCHASE ORDER), ALL OF WHICH ARE HEREBY REJECTED.

1. **PACKING AND SHIPMENT:** Vendor will pack and ship goods and materials as specified, without charge for boxing, crating, carting, or storage unless otherwise specified. Vendor will pack goods and materials in a suitable manner to secure lowest transportation costs and in accordance with the requirements of common carriers. A packing list will accompany each shipment showing Buyer's order number, item number, and an item description. If the shipment is not accompanied by a packing list, Buyer's count or weight will be final and conclusive. Vendor will pack items to preclude damage from weather and normal transfer handling.

2. **DELIVERY:** Except as herein otherwise specified, Vendor will make delivery strictly in accordance with the delivery schedule set out or referred to in this Purchase Order. If a delivery fails to meet such schedule, and Buyer elects to call upon Vendor for express shipments, Vendor will pay the difference between the freight and express rates. Buyer may return to Vendor at Vendor's risk and expense any items shipped to Buyer in advance of schedule without written approval of Buyer. Title and risk of loss to items covered by this Purchase Order will pass from Vendor to Buyer at the F.O.B. point specified herein. Passing of title upon such delivery will not constitute acceptance of the items by Buyer. Time is of the essence for Vendor's performance under this Purchase Order. Unless otherwise agreed in writing by Buyer, Vendor shall not make material commitments or production arrangements in excess of the amount or in advance of the time necessary to meet Buyer's delivery schedule.

3. **WARRANTY:** Vendor warrants that all items covered by this Purchase Order will (a) conform to the specifications, drawings, symbols or other description furnished or specified by Buyer and be merchantable, of good material and workmanship, and free from defect, and (b) be fit and sufficient for the purposes intended by Buyer, as disclosed to Vendor. Vendor warrants that any services performed by Vendor will be performed in accordance with high standards of skill and competence. All warranties will run to Buyer, its successors, assigns and to Buyer's customer and the user of Buyer's products, and will survive inspection, acceptance and payment.

4. **INSPECTION:** All goods and materials ordered are subject to final inspection and approval at destination by Buyer, notwithstanding prior payments, or inspection at source, it being expressly agreed that payment will not constitute final acceptance. Buyer, without limitation to its other rights under this Purchase Order, may reject any item that contains defective materials or workmanship, or does not otherwise conform

to applicable specifications, drawings, symbols or other description. Buyer may return rejected items at Vendor's risk and expense in exchange for refund of any payments plus incoming transportation charges, if any, and Vendor will not replace rejected items unless specified in writing by Buyer. Vendor will provide a complete inspection system, satisfactory to Buyer, covering the inspection of all goods and materials, fabricating methods, jigs, fixtures, dies and unfinished articles, and Buyer will have the right to inspect Vendor's plant or facility at all reasonable times during performance of this Purchase Order. Acceptance of any items will not be deemed to alter or affect the obligations of Vendor or the rights of Buyer under Section 3 above.

5. PATENT PROTECTION: Vendor agrees to indemnify and hold harmless and protect Buyer, its successors, assigns, customers and the users of its products from and against all loss, damage, liability, claims, demands and suits at law or in equity, including cost of suit and attorney's fees, for actual or alleged infringement of all patent, trademark or corresponding rights. Vendor agrees to disclose and on request to assign to Buyer, at no expense to Buyer, any invention, improvement or discovery conceived or first reduced to practice arising from designs, tools, patterns, drawings, materials or other information supplied by Buyer, or items developed especially for Buyer under this Purchase Order.

6. ENGINEERING INFORMATION, TOOLS, AND MATERIALS:

(a) Vendor will keep confidential and not use any designs, tools, patterns, drawings, materials or any other information or equipment furnished by Buyer in the manufacture or design of any item for any other purchaser or for the manufacture of larger quantities than herein specified, except with Buyer's prior written consent. All special dies, tools, patterns, jigs, fixtures, or any information or drawings supplied by Buyer, whether loaned to Vendor or manufactured or otherwise acquired by Vendor for the performance of this Purchase Order and specifically charged to Buyer, are the property of Buyer. Vendor will mark them for identification as Buyer may designate, and upon completion or termination of this Purchase Order, Vendor will return them to Buyer in good condition, reasonable wear only excepted, together with all spoiled and surplus materials, unless otherwise directed in writing by Buyer. Vendor agrees to replace, at its expense, all such items not so returned. Vendor will make no charge for any storage, maintenance or retention of such property of Buyer. Vendor will bear all risk of loss for all Buyer property in Vendor's possession.

(b) If Buyer furnishes any material for fabrication hereunder, Vendor agrees (i) not to substitute any other material in such fabrication without Buyer's written consent; (ii) that title to such material will not be affected by incorporation in or attachment to any other property; and (iii) to state and warrant on its shipper and invoice for final parts: "All material furnished by Buyer on this Purchase Order (except that which became normal industrial waste or was replaced at Vendor's expense) has been returned in the form of parts or held as unused material for Buyer disposition."

7. **CHANGES:** Buyer may at any time by written notice make changes in drawings, designs, and specifications, shipping instructions, quantities and delivery schedules. Should any such change increase or decrease the cost of, or the time required for, performance of this Purchase Order, an equitable adjustment in the price and/or delivery schedule will be made. Any claims for adjustment by Vendor must be made within thirty days from the date the change is ordered or within such additional period of time as may have been approved by Buyer. Nothing in this Section 7 will excuse Vendor from proceeding with the Purchase Order as changed.

8. **CANCELLATION:** Buyer reserves the right to cancel all or any part of the undelivered portion of this Purchase Order upon notice to Vendor for any reason (including without limitation, if Vendor does not make deliveries as specified or if Vendor breaches any of the terms hereof). Buyer will also have the right to terminate this Purchase Order or any part thereof in the event of the insolvency of Vendor, filing of a voluntary or involuntary petition in bankruptcy of Vendor, appointment of a receiver or trustee for Vendor, or the execution by Vendor of an assignment for the benefit of creditors.

9. **COMPLIANCE WITH LAWS:** Vendor warrants that its performance hereunder will be in compliance with all applicable Federal and state statutes, laws, orders and regulations. This includes, without limitation, proper labeling of containers that contain toxic substances or hazardous chemicals, and provision of all applicable Material Safety Data Sheets to Buyer upon request. In addition, to the extent goods or services furnished hereunder may be used directly or indirectly in the performance of a U.S. government contract, Vendor shall comply with all requests, inspections and procedures necessary to fulfill all U.S. government contracting requirements and expectations. If this Purchase Order is a subcontract covered by executive order 11246, The Vietnam Era Veterans Readjustment Act of 1974, or the Rehabilitation Act of 1973, the following terms are hereby incorporated by reference: the equal employment opportunity clauses of Executive Order 11246, of the Vietnam Era Veterans Readjustment Act, and of the Rehabilitation Act of 1973; 41 CFR Section 601.7 (filing of EEO1 reports); 41 CFR Section 601.40 (subcontractors with subcontracts of at least \$50,000.00 and 50 employees have a written affirmative action plan). Vendor certifies that it maintains no segregated employee facilities as provided in 41 CFR Section 601.8.

10. **PRICES:** Vendor represents that the price or prices specified in this Purchase Order do not exceed Vendor's current selling price for the same or substantially similar items to any other purchaser, taking into account the quantity under consideration. If price is omitted on this Purchase Order, Vendor's price will be the lowest prevailing market price.

11. **FEDERAL, STATE, AND LOCAL TAXES:** All prices stated herein include, unless otherwise specified, all Federal, state or local taxes except sales and use taxes that may be levied or assessed as a result of this Purchase Order, or are otherwise applicable to this Purchase Order.

12. WAIVER: The failure of Buyer to enforce at any time any provision of this Purchase Order or to exercise any option herein provided or to require at any time performance by Vendor of any of the provisions hereof will not in any way be construed to be a waiver of the right of Buyer to demand compliance with each and every other provision contained in this Purchase Order, or the right of Buyer thereafter to enforce each and every provision of this Purchase Order.

13. INDEMNIFICATION: Vendor will take all precautions necessary to prevent the occurrence of any injury to persons or damage to property during the progress of any work on Buyer's premises or elsewhere. Vendor will indemnify and hold harmless and protect Buyer and its parent, subsidiaries, affiliates and agents, against any loss, damage, liability, claims, demands and suits at law or in equity, including attorney's fees, which may result in any way from Vendor's actual or alleged breach of its obligations or warranties hereunder or any act or omission on the part of Vendor, its agents, employees or subcontractors. Vendor will maintain public liability, property damage and employer's liability and compensation insurance as will protect Buyer from such losses and from any claims under any applicable worker's compensation and occupational disease laws. Upon request from Buyer, Vendor will furnish Buyer with written evidence that Vendor has complied with the foregoing insurance requirements.

14. ACCEPTANCE: All Purchase Orders are subject to all the provisions contained herein, including any provisions set forth on the face of this Purchase Order or in a supplement to this Purchase Order submitted by Buyer. In the absence of written acceptance of such provisions by the Vendor, the shipment of any goods or the commencement of performance of any portion of this Purchase Order will constitute acceptance of all the provisions contained herein.