

TERMS AND CONDITIONS

("Buyer" = Huestis Machine Corporation; "Seller" = Supplier)

1. **ACCEPTANCE:** This Purchase Order ("Order") shall constitute Buyer's offer to purchase goods or services according to the terms hereof. Seller shall indicate its acceptance of this Order only by; (i) signing and returning the attached acknowledgment to Buyer; (ii) shipping any goods covered by this Order; or (iii) beginning the performance of any service covered by this Order. By accepting this Order, Seller agrees to all the terms and conditions hereof. None of the terms and conditions contained in this Order shall be modified, superseded or otherwise altered except by a written instrument signed by an authorized representative of Buyer. Each shipment received by Buyer from Seller or service performed by Seller shall be deemed to be only upon the terms and conditions contained in this Order, notwithstanding any items and conditions that may be contained in any acknowledgement, invoice or other form of Seller and notwithstanding Buyer's act of accepting or paying for any shipment, services or similar act of Buyer nor any course of prior dealings or usage of the trade not specifically incorporated herein.
2. **QUANTITIES AND PRICES:** The specific quantity ordered shall not be changed without Buyer's written consent. Any excess delivered may be returned at Buyer's option and at Seller's risk and expense. Buyer's count shall be accepted as conclusive on all shipments not accompanied by a packing slip. This Order must not be filled at higher prices than appears on the face hereof unless approved by Buyer in writing prior to shipment. Seller warrants and represents that the prices in this Order do not exceed the contract prices for the same or similar items or services to any other customer of Seller during the past three months and/or during the terms of this Order. Should Seller give another customer a lower price, Buyer is entitled to a reduction of the Order's price to such lower price. Except as expressly authorized by Buyer, no C.O.D. shipments or draft against Buyer will be accepted or honored. Unless otherwise specified herein, prices are F.O.B. Buyer's plant at the location indicated on the face hereof and include all customs duties and sales, use, excise, retailer's occupation, value-added taxes or any other impositions payable by reason of this transaction. Seller warrants that all prices comply with laws and regulations.
3. **PAYMENT TERMS, INVOICES:** Unless otherwise specifically agreed to herein, payment shall be due no earlier than thirty (30) days after Buyer's acceptance of the goods or services which are the subject of this Order. Any discount or payment period shall be calculated from the date each correct invoice reaches Buyer. Invoice and duplicate must be mailed immediately upon shipment, together with the original bill of lading or other bona fide receipts attached thereto.
4. **DELIVERY:** Time is of the essence of any Order placed hereunder and deliveries are to be made both in quantities and at times specified by Buyer; failure to do so shall constitute a breach of contract. If Seller's deliveries fail to meet such schedule, Buyer, without waiving any of its other remedies, may (a) direct expedited routing, at Seller's expense; or (b) cancel this Order by notice, effective upon receipt, as to any or all goods or services not yet shipped or rendered and to purchase substitute goods or services and charge Seller with any loss or damage incurred by Buyer. Buyer reserves the right to reject or return at Seller's risk and expense all articles or materials shipped in advance of the specified delivery date, or to accept and make payment for advance deliveries as though the material was received on the specified delivery dates. Buyer will not be liable for payment for goods delivered to Buyer which are in excess of quantities specified in an order and its delivery schedules. Buyer may, from time to time, change delivery schedules or direct temporary suspension of scheduled shipments pursuant to Article 6. The delivery of goods or services by installments shall not be construed as making the obligations of Seller severable.
5. **PACKING:** All correspondence must include the Order number and vendor identification number. Packing slips indicating contents, part number or description, Order number and vendor number are to be enclosed with each shipment. Any transportation charges paid by Seller with respect to which Seller is entitled to reimbursement shall be added to Seller's invoice as a separate item and the receipted freight bill shall be attached thereto. Seller covenants and warrants that the packaging of the goods Ordered herein shall be adequate for the transit of the goods undamaged so long as the integrity of the container is maintained. Seller agrees to refund to Buyer an amount equal to the price charged for any spools, reels, barrels, drums or other type of container or reusable packaging or handling device upon their return to Seller.
6. **CHANGES:** Buyer reserves the right by written change order to make changes in the quantity, specifications, delivery date and shipping instructions of this Order. If any such change causes any increase or decrease in the cost of, or the time required for, performance of this Order, Seller shall notify Buyer in writing, and an appropriate equitable adjustment will be made in the price or time of performance, or both, by written modification of this Order. Any claims by Seller for such adjustment must be asserted within 30 days after Seller's receipt of notice of the change. Nothing herein shall excuse Seller from proceeding with the Order as changed. Seller may not make any change in this Order or the terms and conditions hereof without the prior written consent of Buyer.
7. **WARRANTIES:** Seller expressly warrants to Buyer, its successors, customers and users of Buyer's products that all the goods, materials, work and services covered by this Order will conform to the specifications, drawings, samples or other description furnished or specified by the Buyer, and will be of good and merchantable quality, free from defects in material and workmanship. Seller further warrants that the goods and materials will be fit and sufficient for the purposes intended. In case of ambiguity in the specifications, drawings or other requirements of this Order, Seller, before proceeding, must consult Buyer, whose written interpretation shall be final. The warranties provided for in this Article 7 shall be in addition to those implied by or available at law and shall exist notwithstanding the acceptance by Buyer of all or a part of the goods, materials, work and services to which such warranties are applicable.
8. **FAILURES/RECALLS:** Seller shall reimburse Buyer for all expenses incurred or sustained by Buyer, both direct and indirect, attendant to a recall or retrofit of Buyer's products which incorporate Seller's goods when such a recall or retrofit is caused by Seller's goods, including, in addition to all other damages recoverable under the Uniform Commercial Code, all losses of profits or damage to good will or reputation.
9. **SERVICES:** In addition to other terms contained herein, if this Order requires Seller to perform any services upon property (both real and personal) owned or controlled by Buyer, Seller agrees to the following:
 - (a) to furnish to Buyer, as a condition precedent to final payment, a complete release of all liens, together with a certificate by Seller that the release contains the signatures of all those who performed services or furnished materials under this Order;

- (b) to indemnify and hold Buyer harmless against all liability, claims, damage, cost and expense (including reasonable attorney's fees) by reason of injury or damage to persons or property arising out of or in any way connected with the performance of services pursuant to this Order;
 - (c) to provide, at Seller's sole expense, Worker's Compensation and Employer's Liability Insurance protection for all of Seller's employees engaged in the performance of services pursuant to this Order; and
 - (d) to procure and maintain in force at all times during the performance of services pursuant to this Order; (i) bodily injury, property damage, contractual bodily injury and contractor's property damage insurance coverage, each having a combined single limit of \$1,000,000 for each occurrence; and (ii) automobile liability insurance with a combined single limit of \$1,000,000 for bodily injury and for property damage, unless higher amounts are specified by the Buyer. Certificates evidencing such insurance coverages shall be submitted to Buyer prior to the commencement of the services hereunder.
10. **INDEMNIFICATION:** Seller insures the performance of any goods sold or services furnished hereunder and shall indemnify and hold Buyer, its employees, agents and customers harmless against liability, claims, loss, damage and expense, including reasonable attorney fees, sustained or incurred by Buyer in the investigation, settlement, attempted settlement or defense of any claims, including but not limited to, injury and damage to persons and property arising from the use, performance, sale or resale of such goods due to; (i) any defect in materials, workmanship or design; (ii) any infringement, interference or contribution to the infringement or the alleged infringement, interference or contribution to the infringement with any domestic or foreign patent (or pending patent application), trademark, copyright or other industrial property right; or (iii) failure of Seller to comply with all applicable federal and state health, safety and other laws, and all orders, regulations and standards issued thereunder. Buyer shall have the right to employ counsel on its own behalf and to participate in the defense of such claim or suit.
11. **INSPECTION:** All goods or services furnished hereunder shall be subject to Buyer's rights of inspection and rejection, notwithstanding any previous inspection. If rejected, such goods or materials will be held for disposition at the expense and risk of Seller. Notwithstanding the foregoing, if goods or materials received are defective, and supply or timing does not permit return or replacement, Buyer shall have the option, following notification to Seller, to rework such goods or materials at Seller's expense. Payment for goods on this Order prior to inspection shall not constitute acceptance thereof and is without prejudice to any inspection or count by Buyer and all claims that Buyer may have against Seller. Acceptance of goods or material by Buyer after inspection shall not release or discharge Seller from liability for breach of warranty, expressed or implied, with respect to goods or services ordered hereunder.
12. **TERMINATION AT BUYER'S OPTION:** Buyer, in addition to any other rights and remedies, may terminate all or any of this Order, without cause, by delivering to Seller a written notice of termination specifying the goods or services terminated and the effective date thereof. Any claim by Seller resulting from such termination shall be submitted no later than ninety (90) days after delivery of the notice of termination. Such claim shall contain sufficient supporting data to permit Buyer's audit. Upon receipt of the notice of termination Seller shall, as directed, cease work and deliver to Buyer all completed and partially completed goods or materials and work-in-process, and Buyer shall pay Seller the following, which in no event shall exceed the total price provided for herein; (i) the price provided in the Order for all goods which have been completed prior to termination and which are accepted by Buyer; and (ii) to the extent commercially reasonable, the actual expenditures on the uncompleted portion of the Order, including cancellation charges paid by Seller on account of commitments made under this order. Notwithstanding the foregoing, Buyer will make no payment for finished goods, work-in-process or raw materials fabricated or procured by Seller in amounts in excess of those authorized in delivery releases nor for undelivered goods which are in Seller's standard stock or which are readily marketable. Buyer's right of termination is in addition to and not in derogation of the Buyer's rights under Article 13 hereof. In no event shall Buyer be liable for anticipated profits, engineering costs, facilities and equipment rearrangement costs or rentals, incidental or consequential damages, nor for damages due to negligence. Notwithstanding the issuance by Buyer of a notice of termination hereunder, any right of Buyer based on prior breach of performance by Seller shall survive.
13. **CANCELLATION FOR DEFAULT:** If Seller fails (i) to deliver goods or to perform services at the time specified herein or (ii) to comply with any other provision of this Order, and does not cure such failure within a period of ten (10) days (or such shorter period as is commercially reasonable under the circumstances) after receipt of notice from Buyer specifying such failure, Buyer may by written notice of default to Seller cancel all or any part of the goods or services Ordered without liability except for completed services and accepted goods. In the event of cancellation, Buyer may purchase goods and services in substitution for those then due from Seller and Seller shall pay buyer any increase in cost above the Order price incurred by Buyer thereby; provided, however, that with respect to finished, work-in-process or otherwise unfinished work, Buyer shall have the right to take full title to and possession of all or part of such work immediately upon notice to Seller of its intent to do so, regardless of whether or not final price terms have been agreed upon. If, after notice of default under this Article 13, it is determined that Seller was not in default, work affected by the cancellation shall be deemed terminated and the rights and obligations of the parties shall be governed by Article 12 hereof.
14. **SUBCONTRACTING:** Seller shall not subcontract or assign this order nor delegate its performance hereunder without the prior written consent of Buyer.
15. **REMEDIES:** The individual remedies reserved in this Order shall be cumulative and additional to any other or further remedies provided in law or equity. No waiver of any breach or any provisions of this Order shall constitute a waiver of any other breach, or of such provision.
16. **BUYER'S PROPERTY:** Unless otherwise agreed in writing, all supplies, materials, tools and equipment including special tooling used in the manufacturing of goods, furnished or paid for by Buyer shall remain the property of Buyer. Buyer does not guarantee the accuracy of any tooling or the quality or suitability of any material supplied by it. Such property shall be deemed to be personal and shall at all times be property stored and maintained Seller on its premises, separate and apart from Seller's property or that of any third party; it shall be marked "Property of Huestis Machine Corporation" by Seller. Seller shall bear the risk of loss, damage or destruction to such property and shall at its expense insure all such property for the replacement value thereof against loss or damage, with loss payable to Buyer. Immediately upon Buyer's request, such property shall be properly prepared for shipment as specified by Buyer, and delivered in good condition, except for normal wear and tear, f.o.b. Seller's plant to Buyer. Seller agrees to execute UCC financing statements or such other documents as Buyer may reasonably require; Seller also hereby authorizes

Buyer to execute any such statements or documents on Seller's behalf. Buyer's property may only be used for the purposes specified in this Order and under no circumstances shall Buyer's property be used, diverted or sold to third parties.

17. **CONFIDENTIALITY:** Seller shall not use, reproduce, appropriate or disclose to anyone other than the Buyer any materials, samples, tooling, dies, specifications, drawings, designs, software, other proprietary information or data furnished or paid for by Buyer nor shall Seller use the same to produce or manufacture articles other than those required hereunder without prior written authorization from Buyer. Seller shall disclose information only to its own employees to the extent necessary for the production of goods or provision of services described in this Order. Nothing in this Order shall be construed as granting Seller any license for any purpose under any patent or industrial property right of Buyer or other rights except those required to effectuate the purposes of this Order.
18. **ADVERTISING:** Seller shall not in any manner advertise or publish the fact that Seller has furnished or contracted to furnish to Buyer the goods or services herein or use any trademarks or tradenames of Buyer in Seller's advertising or promotional materials.
19. **COMPLIANCE:** This Order shall be deemed to include, to the extent applicable hereto requirements of any federal, state or local law. Seller agrees to comply with all applicable federal, state and local laws, rules and regulations including, but not limited to; (a) the Fair Labor Standards Act of 1938 (29 USC 201-219); (b) Executive Orders 11246 and 11375, the Rehabilitation Act of 1974 and the Veteran's Readjustment Assistance Act; (c) Federal Procurement Regulations; (d) all Workers' Compensation and Disability Benefit Insurance laws; (e) Anti-Kickback Act (41 USC 51-54); (f) all applicable Armed Services Procurement Regulations; (g) the Occupational Safety and Health Act and similar state and local acts and regulations; (h) the Clean Air Act (42 USC 1857c-8) (c) (1)), the Federal Water Pollution Control Act (33 USC 1319 (c)), and rules and regulations of the EPA and similar state and local agencies; (i) the Walsh-Healey Public Contracts Act (41 USC 35-45) and the Work Hours Act (40 USC 327-332); all as amended and all rules, and regulations thereunder, each as and to the extent applicable to this Order or Seller's performance hereunder. Nothing in the foregoing shall limit Seller's responsibility to comply with any and all federal, state and local government laws, rules and regulations applicable in any fashion whatsoever to this Order or Seller's performance hereunder. Seller agrees to provide Buyer with any certificate affirming compliance with applicable laws that the Buyer shall request, and Seller further agrees to indemnify Buyer against, and to hold it harmless from any loss or expense arising from Seller's non-compliance with any applicable law, rule or regulation.
20. **COMPLETE AGREEMENT:** The terms and conditions of this order and any attachment are the only terms and conditions governing this Order. Reference to Seller's bids or proposals, if noted on this Order, shall not affect the provisions hereof, unless specifically provided to the contrary herein, and no other agreement or quotation or any acknowledgement of Seller in any way modifying or adding additional terms or conditions will be binding upon Buyer unless accepted in writing by Buyer's authorized representative.
21. **GOVERNING LAW:** The contract resulting from this Order is to be construed according to the laws of the state from which this Order issues, as shown by the address of Buyer printed on the face of this Order. The parties agree that any controversy arising under this Order shall, at Buyer's option, be determined by the courts of the state from which this Order is issued as aforesaid, and Seller hereby submits and consents to the jurisdiction of the courts of said state.