

## Terms and Conditions

1. **ACCEPTANCE:** This purchase order constitutes the Buyer's offer to the Seller. Unless the Seller notices the Buyer, in writing to the contrary, the commencement of performance required by this offer shall be conclusive evidence of the Seller's approval of, and consent to the terms and conditions of purchase herein contained.
2. **PACKING:** Unless this purchase order states otherwise, no charge shall be made for packing, crating, drayage or other similar costs. Items shall be packed in accordance with prudent commercial practices to insure against damage from weather and/or transportation.
3. **INSPECTION AND ACCEPTANCE:** Items purchased hereunder are subject to final inspection and approval at the Buyer's facilities, notwithstanding any other inspection, unless otherwise specifically stated on this purchase order. Neither compliance by Seller with instructions or suggestions by any employee of the Buyer nor the Buyer's payment of Seller's invoice for any item prior to final inspection shall be deemed an acceptance of the item, or a waiver of the right of inspection, or any other right herein reserved, or relieve Seller of any obligation or liability under the terms and conditions of this purchase order. Defective products will be rejected by the Buyer, and the unit prices thereof will be debited against the invoice covering the shipment in which such products were included. Items rejected will be held at Seller's risk and subject to Seller's disposal for a reasonable time, and, if not disposed of by the Seller, will be sold or otherwise disposed of by the Buyer for the Seller's account.
4. **WARRANTY:** Seller warrants that all material and work covered by this purchase order shall conform to the specifications, drawings, symbols or other description furnished or specified by the Buyer, and will be of good material and workmanship, and free from defect. Seller further warrants that all material covered by this purchase order which is the product of Seller is in accordance with Seller's specifications or design shall be fit and sufficient for the purpose intended by the Buyer, as disclosed to Seller. All warranties shall run to the Buyer, its successors, assigns and customers, and to the users of its products.
5. **PATENT PROTECTION:** To the extent the subject items are not manufactured pursuant to design, originated by the Buyer, Seller agrees it will save the Buyer and/or its Directors, employees, agents or customers harmless from any loss, damage or liability which may be incurred on account of any alleged infringement of any United States or foreign patents with respect to such items or materials, and that Seller will, at their own expense, defend any, action suit or claim in which such infringement is alleged. The Buyer agrees to notify Seller promptly of any suit or claim against the Buyer for any alleged infringement of patent.
6. **ENGINEERING, INFORMATION, TOOLS, ETC.:** All designs, tools, plans, patterns, drawings, information or equipment supplied by the Buyer, or if supplied by the Seller especially for this purchase order, the cost, or substantially all of the cost, of which is included in the price to be paid for items ordered hereunder, and relating to, or for use in the manufacture of items sold hereunder, shall remain the sole property of the Buyer, and Seller expressly agrees that the same will not be used in manufacture or design for the account of others, nor for the manufacture of larger quantities than called for in this purchase order, without first obtaining the consent of the Buyer in writing. All such property of the Buyer, together with spoiled and surplus materials, shall be returned to the Buyer, at termination, cancellation or completion of the purchase order, unless the Buyer shall otherwise direct. All material furnished by the Buyer under this purchase order (except that which becomes normal industrial waste or was replaced at Seller's expense) shall be returned in the form of parts or unused material and Seller shall be responsible for the use of reasonable care in the safeguarding of all such materials until so returned. All information, designs, drawings and sources of supply shall be deemed confidential unless written release is furnished by the Buyer.
7. **FEDERAL, STATE, AND LOCAL TAXES:** All prices stated herein shall include, unless otherwise specified, all Federal, State or local taxes that may be levied or assessed as a result of this purchase order, or are otherwise applicable to this purchase order.
8. **TERMINATION:** (a) The Buyer may terminate or cancel this purchase order, in whole or in part, without liability to the Buyer, if deliveries are not made at the time and in the quantities specified, or in the event of a substantial breach of any of the other terms or conditions hereof: (b) the Buyer may also terminate this purchase order, in whole or in part, even though Seller is not in default hereunder and no breach hereof has occurred, by notice in writing at any time. Such notice shall state the extent and effective date of termination and upon the receipt by Seller of such notice, Seller will, as and to the extent prescribed by the Buyer, stop work under the purchase order and placement of further purchase orders or subcontracts hereunder, terminate work under purchase order and subcontracts outstanding hereunder, and take any necessary action to protect property in the Seller's possession in which the Buyer, has or may acquire an interest.

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9. **CHANGES:** The Buyer may at any time, by a written change order, make changes in the specifications, designs or drawings, samples or other description to which the items are to conform, in methods of shipment and packaging, or in the time or place of delivery of any items. If any such change causes an increase or decrease in the cost of, or the time required for, the performance of any part of the work under this purchase order, an equitable adjustment shall be made in the price or delivery schedule or both, and this purchase order modified in writing accordingly. Any claim by Seller for an adjustment must be made in writing, however, that the Buyer may, in its discretion, receive and act upon any such claim so made at any time prior to final payment under this purchase order. Nothing in this clause shall excuse Seller from proceeding without delay to perform this purchase order as changed.
10. **INSOLVENCY AND BANKRUPTCY:** In the event Seller shall become insolvent or makes a general assignment for the benefit of creditors, or files or has filed against it a petition of bankruptcy or for reorganization, or pursues any other remedy under any law relating to the relief of debtors, or in the event a receiver be appointed of Seller's property or business, the Buyer may, at its option, cancel this purchase order, in accordance with paragraph eight (8) above.
11. **COMPLIANCE WITH LAWS:** To the extent applicable hereto, Seller shall in the performance of this purchase order comply with all federal, state and local laws, and regulations and purchase orders issued under any applicable law.
12. **NOTICE OF LABOR DISPUTES:** Whenever an actual or potential labor dispute is delaying or threatening to delay the performance of this purchase order, Seller shall immediately give notice thereof including all relevant information with respect thereto, to the Buyer.
13. **GENERAL:** All warranties shall be construed as conditions as well. Neither this purchase order nor performance hereof may be assigned without the written consent of the Buyer. No waiver of a breach or of any provision of this purchase order shall constitute a waiver of any other breach or of such provision. No modification or change in or departure from, the provisions of this purchase order shall be valid or binding on the Buyer unless approved by the Buyer in writing.
14. **NONDISCRIMINATION IN EMPLOYMENT:** (1) The Seller in performing the work required by this purchase order shall not discriminate against any worker, employee or applicant for employment because of race, creed, color, religious preference, marital status, or national origin, and in this respect shall comply with the provisions of Executive Order 11246 in effect on the date hereof. (2) Seller agrees upon request to provide the Buyer with Certification of Submission of Current Compliance Report or Compliance Report Notification.
15. **SAFETY AND HEALTH:** Seller agrees that all items or equipment purchased hereunder shall comply with the requirements of the Federal Occupational Safety and Health Act of 1971, the California Occupational Safety and Health Act of 1973, and any amendments thereto and all other applicable laws regarding safety and health for the Buyer.
16. **INSURANCE:** If requested by the Buyer, the Seller shall provide the Buyer verification of general commercial liability, automobile liability, professional liability, worker's Compensation and/or employers liability insurance. Failure to provide verification shall be considered a material breach of the terms and conditions of this purchase order.
17. **PUBLIC RECORD:** Pursuant to California Public Records Act (Government Code Section 6250 et seq.), all information pertaining to this purchase shall become a matter of public record.