

CONDITIONS OF PURCHASE

1. **ACCEPTANCE.** This purchase order constitutes the offer of the Purchaser. It becomes a binding contract on the terms set forth herein upon Seller's execution and return of the acknowledgment copy or by performance. Any modification of this contract shall not be effective unless agreed to in writing by an authorized representative of the Purchaser.
2. **RAW MATERIAL.** This order is for raw material only. Seller shall not fabricate beyond Purchaser's releases unless otherwise instructed.
3. **DELIVERY.** Delivery shall be strictly in accordance with the delivery date or release schedule specified herein. Purchaser reserves the right to cancel this order in whole or in part without liability if delivery is not made as specified. Seller agrees to indemnify and save harmless purchaser from any loss, penalty or damages resulting from Seller's refusal or failure to make deliveries as specified. Notwithstanding the above provisions of this paragraph the Seller shall not be liable for delays or defaults due to causes beyond its control and without its fault or negligence if the Seller promptly notifies the Purchaser in writing of such delay and cause.
4. **RELEASES.** Parts fabricated beyond Purchaser's releases are at Seller's risk in the event of changes or cancellation as provided for herein.
5. **CHANGES.** Purchaser shall have the right at any time before completion of the order to make changes in quantities, in drawings and specifications, in delivery schedules, and in methods of shipment and packaging. If such changes cause and increase or decrease in prices or in the time required for performance, Seller shall promptly notify the Purchaser thereof and an equitable adjustment shall be made.
6. **INSPECTION.** All articles purchased herein will be subject to final inspection and approval by the Purchaser. Any inspected and rejected article, returned to the Seller will be returned at the Seller's expense.
7. **INVOICE.** Seller must provide a separate invoice in duplicate for each shipment. Invoices must bear Purchaser's order number and show balance due on order or release. Invoices and bills of lading shall be mailed immediately after shipment is made. Purchaser assumes no liability for packing, boxing, or cartage unless so stipulated on the face of this order.
8. **PACKING LISTS.** Packing lists must accompany each case or parcel showing purchase order numbers and complete description of contents.
9. **SHIPMENTS.** All shipments must be made in strict accordance with the shipping instructions contained on the face hereof or as otherwise furnished by Purchaser. Any excessive freight costs incurred by reason of Seller's failure to follow such shipping instructions will be charged to the Seller.
10. **MODIFICATION.** This order is subject to modification in even of fires, strikes, or other conditions beyond Purchaser's control.
11. **PATENTS.** Seller guarantees and warrants that the sale or use of its products will not infringe any patent, and hereby undertakes to indemnify and save harmless the Purchaser and customers of the Purchaser against all liability for judgements, decrees, costs and expenses resulting from any such infringements.
12. **PRICES.** The Seller agrees that the prices charged for articles or services covered by this purchase order do not exceed the maximum prices established by the Office of Price Administration or any succeeding governmental agency similarly constituted.
13. **COMPLIANCE WITH LAWS.** The articles furnished hereunder by Seller shall comply both as to product and manufacture with all applicable State, Federal and local laws, rules and regulations, and the Seller will indemnify Purchaser against liability on account of noncompliance. Seller agrees to furnish on each invoice a statement (on form approved by U.S. Department of Labor) certifying that the items covered by such invoice were produced, manufactured and delivered in accordance with the Fair Labor Standards Act of 1938, as amended, and all regulations and orders issued thereunder.
14. **MATERIALS AND TOOLS.** Any material furnished by Purchaser on other than a charge basis in connection with this order will be deemed to make the Seller a bailee of said materials and title thereto shall at all times remain in Purchaser.
15. **CANCELLATION, MODIFICATION, OR ADJUSTMENTS.** This order is subject to cancellation or such other modifications or adjustments as may be required under existing or future federal laws or regulations relating to contracts or subcontracts with the United States Government or any department or agency thereof; or for the breach by the Seller of any of the purchase order conditions contained herein; or for the failure of the seller to make deliveries within the time specified, in which event Purchaser may either terminate this purchase order or such parts thereof as to which there has been a delay.
16. **WARRANTY.** Seller warrants that all materials and work covered by this order will be free from defects in material, labor and fabrication and will conform to all applicable specifications, drawings, samples and/or descriptions given. This warranty will survive acceptance of the Articles and payment by Purchaser. The Seller shall with all possible speed correct or replace unsatisfactory articles at Seller's expense, including transportation expenses.
17. **ASSIGNMENT.** No assignment of this order or of any moneys due or to become due thereunder shall be made without the written consent thereto by the Purchaser. The payment to any such assignee shall be subject to set-off and recoupment for any present or future claim or claims which the Purchaser may have against the Seller.
18. **ADVERTISING WARRANTY.** The Seller shall not, without first obtaining the written consent of the Purchaser, in any manner advertise or publish the fact that the seller has furnished or has contracted to furnish the articles herein mentioned.
19. **CANCELLATION FOR INSOLVENCY.** In the event of any suspension of payment or the institution of any proceedings by or against either party, voluntary or involuntary, in bankruptcy or insolvency, or under any provision of the United States Bankruptcy Act, or for the appointment of a receiver or trustee or an assignee for the benefit of creditors of either party, or in the event of a breach of any of the terms hereof, including warranties of Seller, the other party shall be entitled to cancel this forthwith, without liability for loss or anticipated profits.
20. **TERMINATION.** Purchaser shall have the right to terminate this agreement in whole or in part for other than the default of Seller, by giving Seller written notice of its election and desire to do so by mail or otherwise. Such termination shall become effective upon receipt of such notice by Seller, and Seller will stop work immediately on said order. In the event of such termination, Purchaser agrees to pay Seller all costs necessarily incurred by Seller in performance of this order which are properly allocable under recognized commercial accounting practices to the cancelled portion of the order.
21. **USE OF TECHNICAL INFORMATION.** Any specifications, drawings, reprints, technical information or data furnished the Seller hereunder shall remain Purchaser's property, shall be kept confidential and shall be returned at Purchaser's request. Such information and documents shall be used only in filling this order and may not be used for other purposes unless agreed to by Purchaser in writing.