

TERMS AND CONDITIONS OF PURCHASE

This order is subject to the terms and conditions appearing hereon and by accepting this order, the Seller agrees to be bound thereby.

1. Time of delivery is of the essence of this Agreement. Buyer reserves the right to refuse any goods and to cancel all or any part of this order if Seller fails to deliver all or any part of the goods in accordance with the terms of this order. Acceptance of any part of this order shall not bind Buyer to accept future shipments, nor deprive it of the right to return goods already accepted.

2. Delivery shall not be deemed to be complete until goods have been actually received, inspected and accepted by Buyer, notwithstanding any agreement to pay freight, express or other transportation charges, and the risk of loss or damage in transit shall be upon Seller.

3. All goods are subject to inspection and approval before acceptance after delivery. The right is reserved to reject and return at the risk and expense of the Seller including the cost of inspection, such portion of any shipment which may be defective or fail to comply with specifications, without invalidating the remainder of the order.

4. To the extent the goods covered by this order are not of Buyer's design, Seller agrees to indemnify Buyer and hold it harmless from and against all claims, liability, loss, damage or expense, including counsel fees, arising from or by reason of any actual or claimed trademark, patent or copyright infringements, or any litigation based therein, with respect to any part of the goods covered by this order. Any such obligation shall survive acceptance of the goods and payment thereof by the Buyer.

5. Seller warrants that the goods covered by this order shall conform to weights, dimensions and specifications represented in sales literature of the Seller and to other representations made by Seller or agent including drawings and samples furnished or adopted by Seller, shall conform to specifications, if any, made a part of this order and shall be designed, manufactured and shipped in a good and workman-like manner free from defect. Acceptance of this order shall constitute an agreement upon Seller's part to indemnify and hold the Buyer harmless from all claims and liability to third persons, and loss, damage including loss of profits and expenses incurred or sustained by Buyer by reason of any breach of such warranties. The Seller warrants and represents that it has absolute title to and full right to dispose of the goods covered by the order and that there are or will be no liens, claims or encumbrances of any kind against the goods. Acceptance of all or any part of the goods covered by this order shall not waive Buyer's rights for breach of warranty.

6. Federal, state or local excise, duty, sales or use taxes or any other taxes due by reason of this order, consequent sale or transportation of goods shall be paid by the Seller.

7. Seller shall not assign this Agreement or any monies as they may become due under its terms without the consent of Buyer.

8. Seller shall not perform this agreement by tendering goods purchased from others in substantially the form described by this agreement.

9. In the event Seller is bankrupt or Buyer has a reasonable belief Seller is insolvent, then Buyer may cancel all or any part of this agreement without liability.

10. Seller warrants that the goods covered by this order have been manufactured in accordance with the requirements of the Fair Labor Standards Act and other applicable Federal laws, regulations and executive orders.

11. If this order indicates that it relates to a government contract, this agreement shall include as if a part hereof, all appropriate clauses of the Armed Services Procurement Regulations as amended to date of this order including but not limited to Renegotiation (7-103.13a); Eight-Hour Law of 1912 (12-303-1); Walsh-Healy Public Contracts Act (12-604); Nondiscrimination in Employment (12-802); Officials Not to Benefit (7-103.19); Termination for Convenience (8-706); Notice of Assistance Regarding Patent Infringement (9-104); Buy American Act (6-104.5); Notice of Labor Disputes (7-104.4); Patent Indemnity (9-103.2); Basic Data (9-203.1 plus either 9-203.2 or 9-203.4, as applicable); Excess Profit (if order exceeds \$10,000 in amount) (7-104.11); Government Furnished Property (13-502) and Authorization and Consent (9-102.1 or 9-102.2, as applicable); Examination of Records (7-104.15). Where essential to make any clause appropriate the term "Contractor" shall mean "Buyer"; the term "Subcontractor" shall mean "Seller" and the term "Contract" shall mean this "Agreement".

12. Any dispute, controversy or claim arising out of or relating to this Agreement shall be settled by arbitration in Dayton, Ohio, in accordance with the Rules of the American Arbitration Association and judgment may be entered in any Court having jurisdiction.

13. This Agreement entered into in the State of Ohio shall be governed by and construed according to the laws of the State of Ohio and Seller by accepting this order consents to the personal jurisdiction of the State of Ohio in regards to claims and disputes arising under the terms of this agreement and to service of process for the State of Ohio by service by mail at Seller's principal place of business wherever that might be.

14. This Agreement may not be modified or terminated orally and no claimed waiver of any of the provisions hereof shall be binding unless in writing and signed by the party against whom such waiver is claimed.

15. Invalidity of any one of the terms shall not effect any of the other terms which shall remain in full force and effect.

16. Tools and Materials. Title to and the right of immediate possession of all tooling, equipment or materials furnished or paid for by Buyer directly or indirectly for use hereunder shall be and remain in Buyer. Buyer does not guarantee or warrant the accuracy of any tooling furnished by it. Seller shall (a) be responsible for all loss or damage to such tooling, equipment or materials while in its possession and insure its risk in this respect with adequate fire and extended coverage insurance; (b) clearly mark the same as belonging to Buyer, keep it segregated in Seller's plant and treat it confidentially; (c) keep the same in good operating condition; and (d) use the same exclusively for the performance of work for Buyer and not for production of larger quantities than specified or in advance of normal production schedules, except with Buyer's written consent; provided however, Seller may use the same when required to produce items for direct sale to the Government where the Government has the right of such use. Seller shall advise Buyer, in writing, of each instance of such direct use. All taxes, assessments, and similar charges levied with respect to or upon any such items owned by Buyer, while in Seller's possession or control, and for which no exemption is available, shall be borne by Seller upon completion of this order, all such items shall be disposed of as Buyer directs.

17. During the performance of this purchase order, the vendor agrees to comply with all Federal, state and local laws respecting discrimination in employment and non-segregation of facilities including, but not limited to, requirements set out at 41 CFR 60 – 1.4, 60 – 250.4 and 60 – 741.4, which equal opportunity clauses are hereby incorporated by reference. Notification is hereby given that compliance with these clauses may require the vendor to annually file certain reports (e.g. the EEO-1 Report and the VETS – 100 Report) with the Federal government and may require the vendor to develop written Affirmative Action Programs for Women and Minorities, Covered Veterans and/or Persons with Disabilities.

18. All materials and products supplied will comply with the requirements of DFARS 252.225-7014 Alt 1 Preference for Domestic Specialty Metals.

19. All exceptions to these requirements must be requested in writing prior to acceptance of purchase order.