

PURCHASE ORDER TERMS AND CONDITIONS

THIS PURCHASE ORDER CONSTITUTES BUYER'S OFFER TO SELLER, AND BECOMES A BINDING CONTRACT OF THE TERMS AND CONDITIONS SET FORTH HEREIN, AND ANY ATTACHMENTS, WHEN IT IS ACCEPTED BY THE SELLER BY WRITTEN ACKNOWLEDGEMENT OR COMMENCEMENT OF PERFORMANCE. NO REVISION OF THIS ORDER OR ANY OF THE TERMS AND CONDITIONS THEREOF OR ANY WAIVER THEREOF SHALL BE VALID UNLESS IN WRITING AND SIGNED BY AN AUTHORIZED REPRESENTATIVE OF BUYER, AND NO CONDITION STATED BY THE SELLER IN ACCEPTING OR ACKNOWLEDGING THIS ORDER SHALL BE BINDING UPON BUYER IF IN CONFLICT WITH, INCONSISTENT WITH, OR IN ADDITION TO THE TERMS AND CONDITIONS CONTAINED HEREIN UNLESS EXPRESSLY ACCEPTED IN WRITING BY BUYER

1. DELIVERY:

Time is of the essence. Failure to make deliveries in accordance with schedules will be proper cause, at the BUYER'S option, for cancellation of this order. Without limitation of the foregoing, Seller shall notify the Buyer promptly of any delays or threatened delays in the performance of this order. The Buyer will have no liability for payment of items delivered to it which are in excess quantities specified in delivery schedules. The Buyer may from time to time change delivery schedules or direct temporary suspension of schedule shipments.

2. CHANGES:

Buyer may, by written order, at any time prior to the final delivery and without notice to sureties, make changes within the general scope of this order in any one of the following: applicable drawings, designs or specification, method of shipment of packing and place or time of delivery. To the extent such change causes an increase or decrease in the cost of, or time required for performance of this order, an appropriate equitable adjustment in this order shall be made. Any claim by Seller for the adjustment must be asserted within 15 days from receipt of such change order.

3. INSPECTION:

- (A) The seller shall comply with any specification stated on the face of or included by reference in, or attachment to, this order and with applicable military specifications, when referenced. Seller shall provide and maintain an inspection system acceptable to the Buyer. The Seller shall upon request furnish the Buyer

with a report of details of material and workmanship inspections certified by an authorized representative of the Seller.

- (B) The buyer and representative of the Buyer's customers shall have the right to inspect all material and workmanship at all times and places including, when practicable, during manufacture, and of any such inspection or test is made on the premises of the Seller, the Seller shall furnish, without additional charge, all reasonable facilities and assistance for a safe and convenient inspection or test.
- (C) The Buyer shall have the right, exercisable within ninety (90) days of the receipt by it of the goods called for, to reject after inspection any such goods which are defective. All such rejected items shall be returned to the Seller, transportation collect, for credit or refund and shall not be replaced by the Seller except upon written instructions from the Buyer.

4. WARRANTY:

The Seller warrants that all work done and merchandise and material furnished will be free from defects in workmanship and materials and will comply in all respects with the specifications, prints, drawings, and samples, if any listed on the face, or attached to this order which have been or shall be supplied to the Seller.

5. RESPONSIBILITIES FOR SUPPLIES:

Seller shall bear risk of loss or damage to the articles covered by this order until delivery of said supplies at Buyer's plant or such other place as it may be designated herein, regardless of F. O. B. point or the point of inspection. Seller shall also bear the risk of loss or damage to the supplies after the Buyer gives Seller's notice of rejection.

6. SUBCONTRACTING:

Seller shall not subcontract for completed or substantially completed articles called for hereunder without prior written consent of Buyer. This limitation does not apply to the purchase of standard commercial supplies or raw materials.

7. TERMINATION OR CANCELLATION:

Buyer may at any time by written or *electronic* notice terminate for its convenience or cancel for Seller's breach, all or any part of this order. If this order is cancelled for Seller's breach or if Seller is in breach of this order when it is terminated for convenience, Seller shall have no claim against the Buyer for any costs incurred or any profit with respect to the terminated or cancelled portion of this order. If this order is otherwise terminated by Buyer, the Seller shall be paid an equitable amount to cover the effort actually expended by Seller plus a reasonable profit thereon. Provided however that no amount shall be paid for any anticipatory profits and the total amount shall not exceed the prices set forth for the articles terminated.

In addition to Buyer's right to cancel at any time for Seller's breach of any of the provisions of this order, including the failure to meet their stated delivery schedule, all or any portion of this order may be cancelled by Buyer if Seller, in Buyer's judgment, is failing to make sufficient progress so as to endanger performance of this order in accordance with the terms and Seller fails to furnish Buyer adequate assurances of due performances within ten days (or such further period as buyer may grant) after receipt of Buyer's written request for assurances.

The rights and remedies provided Buyer herein shall not be exclusive but are cumulative and in addition to any other rights and remedies provided by the law or under this order.

8. ASSIGNMENT:

- (A) Seller shall not assign this purchase order without prior written consent of the Buyer. Any such assignment or attempted assignment made without written consent shall be void as to the Buyer. Seller may, however, assign any monies due, or to become due hereunder without the Buyer's consent.

- (B) In no event shall copies of this order or of any plans, specifications, or other similar documents relating to work under this order if marked "Top Secret", "Confidential", or "Confidential Modified Handling Authorized" be furnished to any assignee of any claim arising under this order or to any other person not entitled to receive same.