

Gindor, Inc. Purchase Order Terms and Conditions

1. ACCEPTANCE: This Purchase Order, together with any specification, schedules, exhibits, riders, or other writings which may be annexed hereto by Purchaser or provided for hereunder and by reference made a part hereof, sets forth the complete and final agreement between Purchaser and Seller in respect of the subject matter hereof; and no amendments or modifications of/or supplements to the provisions of this Purchase Order will be valid and binding upon Purchaser unless made in writing and signed by an authorized representative of Purchaser. In the event of any inconsistency between these Terms and Conditions and the provisions on the face hereof or on any supplement attached hereto by Purchaser, the provision contained on the face hereof or on such supplement shall control Seller's acceptance or, at the election of Purchaser, Seller's commencement of performance of this Purchase Order shall constitute acceptance by Seller of all of the terms and conditions of this Purchase Order.

2 GOODS: The term "goods" as used in this Purchase Order, shall mean, without limitation, the materials, supplies, articles, equipment, structures, work, or services covered by this Purchase Order.

3. QUANTITY: The quantity of goods, as indicated on the face hereof, must not be exceeded without specific authority in writing being first obtained from Purchaser. Any quantity of goods delivered to Purchaser in an amount in excess of the quantity of goods indicated on the face hereof may be returned to Seller at Seller's cost.

4. INVOICES: Seller's invoices and original bills of lading or express receipts shall be mailed not later than the day after each shipment is made. Individual invoices shall be issued for shipments applying against each Purchase Order.

5. WARRANTY: Seller expressly warrants that all goods, including the designs supplied by Seller, will conform to the specifications, drawings, samples, or other descriptions set forth in the order or furnished by Purchaser, and will be of good material and workmanship and free from defects. All goods are subject to final inspection and acceptance at Purchaser's plant it being understood that payment therefore shall not constitute acceptance. Any goods which are found to be defective, either before or after acceptance, may be rejected and returned to Seller at Seller's risk and expense for repair or replacement, or if Seller cannot make repairs or replacement in the time required by Purchaser to meet its delivery schedules, for credit at Purchaser's option. If Purchaser finds it impractical to return defective goods for repair or replacement within a reasonable time, it may perform necessary repairs/remedies and charge the reasonable cost thereof to Seller. Any payments made on ant rejected goods shall be immediately refunded to Purchaser.

6. CERTIFICATE OF COMPLIANCE: Seller shall provide with each shipment a certificate stating: (a) that all goods, including the designs, supplied by Seller have been inspected, (b) they comply in all respects with the relevant specifications and/or drawings in accordance with the requirements of the order, and (c) all inspection and test results are available for examination by Purchaser and/or Purchaser representatives. Further where goods or processes are procured from others, Seller shall provide a certificate certifying these goods and processes as above and that evidence of same is available for examination by Purchaser and/or Purchaser representatives.

Gindor, Inc. Purchase Order Terms and Conditions

7. PRICE WARRANTY: Seller warrants that the prices and terms set forth herein not exceed those charged by Seller to any other customers purchasing the same items in like or lesser quantities.

8. CHANGES: Purchaser may at any time, by a written order signed by Purchaser, make changes in or additions to the drawings and specifications, issue additional instructions, issue stop work orders, issue order termination, require additional work or direct the omission of work covered by this order and Seller shall proceed with the work as so changed. However, these changes shall be within the general scope of the order. If any changes cause a material increase or decrease in the amount or character of the work required under this order or in the time required for its performance, an equitable adjustment shall be made in the price or time for performance or both and the order shall be modified accordingly. Any claim for adjustment under this paragraph must be asserted within thirty days from the date the change is ordered. Where the cost of property made obsolete or excess as a result of change is included in Seller's claim for adjustment, Purchaser shall have right to prescribe the manner of disposition of such property.

9. PACKING: No charge will be allowed for packing, boxing, or cartage unless agreed upon at the time of purchase, but damage to any goods not packed to insure proper protection will be charged to Seller. Each package must contain a document showing Shipper's name, contents of package and Purchase Order number of Purchaser.

10. SHIPMENT AND INSURANCE: Do not insure any shipments or declare excess valuation on any shipments unless authorized in writing from Buyer. Any charges that occur will be Seller's responsibility.

11. DEFAULT: Seller's failure to make timely delivery or Seller's breach of any of the terms and conditions of this Purchase Order shall constitute sufficient cause for Purchaser, at its option, to terminate this Purchase Order either in whole or in part. Seller, upon giving prompt written notice to Purchaser, shall not be liable by reason of any failure to deliver or delay in delivery due to any cause beyond Seller's reasonable control and without the fault or negligence of Seller or its subcontractors. Purchaser, in the case of materials and/or equipment to be furnished by Purchaser to Seller, shall not be liable by reason of any failure to deliver or delay in delivery due to any causes beyond Purchaser's reasonable control and without the fault or negligence of Purchaser.

12. PATENTS: Seller warrants that the goods furnished hereunder, and the use thereof do not infringe any patent, trademark or copyright that Seller will, at its own expense, defend any suit that may arise in respect thereto, provided Seller is notified thereof, and that Seller will indemnify and hold harmless the Purchaser from all loss and expense incurred on account of any such alleged or actual infringement.

13. UNPATENTED KNOWLEDGE OR INFORMATION: Any unpatented knowledge or information concerning Seller's products, methods or manufacturing processes which Seller may disclose to purchaser incident to the manufacture of the goods covered by this order shall, unless otherwise specifically agreed in writing, be deemed to have been disclosed as a part of the

Gindor, Inc. Purchase Order Terms and Conditions

consideration for this order, and Seller agrees not to assert any claim (other than a claim for patent infringement) against Purchaser by reason of Purchaser's use or alleged use thereof.

14. USE OF PURCHASER'S DATA: Seller shall keep confidential Purchaser's data or information and Purchaser's customers data or information supplied to Seller hereunder whether in the form of drawings, specifications, data or otherwise and shall not use or disclose such data or information except in the performance of orders for Purchaser or for direct sale to the Government only where the Government has received such rights from Purchaser and Purchaser has authorized such use by Seller. All of Purchaser's data provided to Seller hereunder shall be returned upon request of Purchaser.

15. PROPERTY: Whenever Seller shall, by virtue hereof, have in its possession property of Purchaser or the Government, Seller assumes the risk of and shall be responsible for any loss of or damage to said property while said property is in the possession, control or custody of Seller. Seller shall segregate, clearly mark and maintain complete inventory of all such property. Seller will immediately notify Purchaser of any loss of or damage to said property. Seller agrees that any Purchaser or Government property furnished hereunder shall be used only in the performance of this Purchase Order unless otherwise approved by Purchaser in writing. Upon termination or completion of this Purchase Order, Seller will deliver such property to the extent not incorporated in delivered end products to Purchaser in good condition subject to ordinary wear and tear.

16. ASSIGNMENT: Seller shall not assign this order or enter into any subcontract or Purchase Order for completed or substantially completed goods covered hereby without the written consent of Purchaser.

17. MECHANIC'S LIEN AND INDEMNITY: To the extent that this Purchase Order calls for work to be performed upon property owned or controlled by Purchaser, it is agreed that (a) Seller will keep the premises and work free and clear of all and any liens (b) The work will remain at Seller's risk prior to written acceptance by Purchaser (c) Seller will indemnify, save harmless and defend Purchaser from all liability for loss, damage or injury to person(s) or property in any manner arising out of incident to the performance of this Purchase Order.

18. RELIANCE ON SELLER'S REPRESENTATIONS: Seller and Purchaser acknowledge that Seller is an expert, fully competent in all phases involved in producing, testing, developing, tooling, manufacturing, modifying, altering, reconditioning, stocking, training and servicing the items/goods ordered hereunder. Seller shall be responsible for the items as though all phases, as set forth above, were originated and accomplished by Seller. Any approvals granted by Purchaser to Seller does not relieve Seller from complete responsibility for performance of all the terms and conditions of this order. Any approvals granted by Purchaser shall not modify, impair or abrogate any rights of Purchaser under this order.

19. RIGHT OF ACCESS OF AREAS AND RECORDS: Seller will permit Purchaser and its representatives access to work areas, records and employees applicable to this order at no additional cost.

Gindor, Inc. Purchase Order Terms and Conditions

20. LABOR AND OTHER LAWS: Seller's acceptance of this Purchaser Order shall constitute a warranty to Purchaser that all goods to be manufactured or furnished hereunder are manufactured or furnished in compliance with all Federal, State and Local laws.

21. APPLICABLE LAW: This Purchase Order shall be construed in accordance with the Laws of the State of Indiana. In the performance of this Purchase Order, Seller agrees to comply with all applicable federal, state and local laws, rules, orders and regulations.

22. RIGHTS AND REMEDIES: All rights and remedies of Purchaser specifically set forth in this Purchase Order shall be cumulative and in addition to any other or further rights and remedies provided by law or equity.

23. QUALITY: It shall be Seller's continuing obligation subsequent to delivery of goods to advise Purchaser in writing within 24 hours in the event that Seller discovers any quality deficiency which affects any feature of the delivered goods. All data supplied shall be provided in English. All Quality Records referencing this Purchase Order or the goods delivered must be maintained for a minimum of ten years. Purchaser and/or its representatives shall have right of access to all of Seller's records pertaining to this Purchase Order at no cost to Purchaser.