

TERMS AND CONDITIONS OF PURCHASE

ACCEPTANCE: This order will become the exclusive agreement between the parties, subject to the terms and conditions hereof, when accepted by acknowledgement or commencement of performance. Additional or different terms proposed by Seller shall not be applicable and no change in, or modification of, or revision in this Purchase Order shall be valid unless in writing and signed by the Buyer. All supplements, sheets, schedules, exhibits, riders or other attachments which may be annexed hereto or referenced herein are made part of this Purchase Order and Seller agrees to them by acceptance of this Purchase Order.

PACKAGING: All products shall be prepared for shipment and packed to prevent damage or deterioration. Secure lowest transportation rates and comply with carrier tariffs. No charges shall be allowed for packing or crating unless otherwise stated in this Purchase Order.

CHANGES: Buyer may at any time make changes by means of written change order to this Purchase Order in any way or amount of the following: quantity, drawings, designs, specifications, delivery schedules, place of inspection, acceptance or delivery, method of shipping and packaging. If such a change results in an increase or decrease in the cost or time required for the performance of any part of the work under this Purchase Order, an equitable adjustment shall be made in the Purchase Order price, delivery schedule, or both. Any claim for such adjustment shall be deemed waived by Seller unless submitted in writing to Buyer within 30 days of receipt by Seller of the change order or within such other period of time as may be agreed upon in writing by Buyer. Failure to agree to any claim for equitable adjustment under this paragraph shall not relieve Seller from proceeding without delay in the performance of this Purchase Order as changed.

INSPECTION AND REJECTION: All articles ordered will be subject to final inspection and approval by Buyer after delivery, notwithstanding prior payment, it being expressly agreed that payment shall not constitute final acceptance. Buyer may reject for correction, replacement or credit any article, which contains defective material or workmanship or does not conform to specifications. Rejected articles may be returned at Seller's risk and expense at the full invoice price plus all applicable transportation charges.

WARRANTY: In addition to all other warranties, express or implied by law, seller warrants that all products delivered hereunder shall be merchantable, free from defects in workmanship and material and shall strictly conform to applicable specification, drawings, approved samples and descriptions, if any, including performance specifications, and will be fit and sufficient for the purposes intended and if of Seller's design, will be free from design defects. Seller further warrants that all products shall be in conformity with local, state and federal laws and shall comply in all respects to the report and/or certificate referred to on the reverse side hereof. This warranty shall survive any inspection, delivery or acceptance of the materials or services, or payment therefore by the buyer.

PRODUCT LIABILITY/ PATENT PROTECTION: To the extent that the products are not manufactured pursuant to a design originated by Buyer, Seller agrees to indemnify buyer and its customers for and hold each of them harmless from any liability, loss, cost and expense (including reasonable attorney's fees) directly or indirectly arising from any claim or action against Buyer or its customers for infringement or otherwise of any patent, copyright, trademark, trade secret, label, name, design or stamp used or applied by Seller on the product supplied by Seller under this Purchase Order. Seller hereby agrees to indemnify Buyer and its customers for and hold each of them harmless from any liability, loss, cost and expense (including reasonable attorney's fee) which Buyer and its customers, or either of them, may directly or indirectly incur arising from any alleged breach of Seller's warranties and/or obligation hereunder. Seller hereby acknowledges that Buyer shall incur incidental and consequential damages, including but not limited to a loss of profits, arising from any breach of Seller's warranties and obligations hereunder, and Seller agrees to reimburse Buyer for any such incidental or consequential damages.

FURNISHED INFORMATION: Drawings, specifications, data, designs, inventions and other technical information supplied to Buyer shall remain Buyer's property and shall be held in confidence by Seller. Such information shall not be produced, used, or discussed to others by Seller without Buyer's prior written consent and shall be returned to Buyer upon completion of this Purchase Order or upon demand.

NOTICE OF LABOR DISPUTES: Seller shall notify the Buyer immediately of any actual or potential labor dispute, which is delaying or threatens to delay the timely performance of this order.

DEFAULT: Buyer may, by notice to Seller, terminate all or any part of this Purchase Order in the event the seller fails to make delivery within the time specified herein or fails to make progress so as to endanger the timely performance of seller hereunder or if Seller fails to perform any of the other provisions of this Purchase Order.

TERMINATION: Buyer may cancel this contract or any part thereof by written notice and, if other than for default Buyer shall be liable for the payments of reasonable cancellation charges which in no event shall exceed the contract price.

REMEDY: The buyer shall have all rights and remedies afforded by the Uniform Commercial Code in effect in the state in which the Buyer's principal office is located. Whenever a term defined by the Uniform Commercial Code is used in this Purchase Order, unless otherwise stated the definition contained in the Uniforms Commercial Code shall control.

DELIVERY: Buyer may at any time postpone delivery of all or any of the products ordered herein for a reasonable time. Buyer reserves the right to suspend shipment of products in the event of a strike, differences with labor, interruption of transportation, accident to plant or equipment, fire, floods, acts of God, or other contingencies beyond Buyer's control. Buyer may retain or return to Seller at Seller's expense products received in advance of their required delivery date as specified on the face of this Purchase Order. No such retention shall waive Buyer's right to return subsequent shipments delivered in advance of the required delivery date nor shall said retention accelerate the time for payment. Over shipments may be returned at Seller's expense or retained by Buyer at the lowest price per unit therefor charge by Seller to Buyer hereunder. In the event of the return by Buyer to seller of advance or over shipments, Buyer shall charge to Seller all shipping costs both ways plus a reasonable charge for its services in effecting such return, plus all incidental damages, which Buyer may incur in connection therewith. No variations in the quantities specified herein shall be accepted as compliance with this Purchase Order except by Buyer's written consent. If the products are not delivered on the dates specified herein, Buyer reserves the right to cancel the entire Purchase Order and to refuse acceptance of past due deliveries.

ASSIGNMENT: Seller shall not sell and/or assign this Purchase Order or delegate any of its responsibilities hereunder without prior written consent of buyer except that claims for money due or to become due under this Purchase Order may be assigned by Seller to a bank, trust company or other financial institution, including any federal lending agency, without such consent.

EQUAL OPPORTUNITY: (The following clause is applicable unless this Purchase Order is exempt under the rules and regulations of the Secretary of Labor issued pursuant to Executive Order 11246 of September 24, 1965.) The clause set forth in Section 202 of Executive Order 11246 of September 24, 1965. (30 FR.12319) as amended by Executive Order 11375 of October 13, 1967 (32 F. R.14303) is made a part hereof. The purpose of this clause is to achieve equal opportunity for all persons without regard to race, color, religion, sex or national origin, employed by or seeking employment with Government contractors or subcontractors. Where used therein the terms "contractor" and "contract" shall mean "Seller" and "Purchase Order", respectively Seller shall include the same clause (paragraphs (1) through (7)) in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor under Executive Order I 1246. In addition, if this Purchase Order is for \$50,000 or more and seller has 50 or more employees, Seller shall, in accordance with the requirements of the Equal Opportunity Clause and the rules and regulations of the Secretary of Labor: (a) file annually on or before the 31st day of March, complete and accurate reports on Standard Form 100 (EEO-I) or on such form as may hereafter be promulgated in its place (and, in the event Seller has not submitted such a report within 12 months preceding the date of this Purchase Order. He shall file the report within 30 days from that date and annually, thereafter, as stated above or at such other interval as may be required), and (b) develop, establish, maintain and administer a written affirmative action compliance program for each of its establishments.

WALSH-HEALEY, EIGHT HOUR, CONTRACT WORK, HOURS AND SAFETY STANDARDS, SERVICE CONTRACT AND WORKMEN'S COMPENSATION LAWS: As the prime contract under which this Purchase Order is made is subject to the Eight Hour Law of 1912 as amended (40 U.S. Code 324-326), the Contract Work Hours and Safety Standards Act (40 U.S. Code 327-333), the Service Contract Act of 1965 (P.L. 89-286), or the Walsh-Healey Public Contracts Act (41 U.S. Code 35-45). Seller agrees that in the performance of this Purchase Order it shall comply with the applicable provisions thereof and official regulations and determinations thereunder, and shall save Metal Textiles Corporation harmless from any claim or liability because of its (Seller's) noncompliance. The clauses set forth in ASPR Sections 7-103 16(a) and 7-1903 41(a) are made a part hereof. In the performance of this Purchase Order Seller further agrees to comply with the requirements of any applicable State Workmen's Compensation laws and shall save Metal Textiles Corporation harmless from any claim or liability because of Seller's noncompliance.