

1. Scope and Acceptance.

(a) Acceptance of the offer to purchase materials, goods and and/or services ("Goods") represented by this Purchase Order ("Order") is expressly limited to the terms of this Order. Signing and returning the acknowledgement section of this Order, or shipment or commencement of performance hereunder shall constitute acceptance of this Order and its terms to which Seller agrees to be bound. This Order constitutes the entire agreement between Buyer and Seller. Changes will only be binding if agreed to in writing by Buyer. Buyer will not be bound by, and specifically objects to any term, condition or other provision that is different from or in addition to the provisions of this Order that Seller proffers in any receipt, acceptance, confirmation or other document.

(b) Any quotation, offer to sell, or proposal for terms by Seller different from those found in this offer are expressly rejected by Buyer. Any such proposal shall not operate as a rejection of this offer unless such variances are in the terms of the description, quantity, price or delivery schedule of the Goods, and this offer shall be deemed accepted by the Seller without said additional or different terms.

(c) All Goods, as well as their descriptions and specifications furnished according to this Order must be identical to those furnished by Seller under the most recent accurate Order unless Seller has obtained prior written approval from Buyer prior to its acceptance of this Order to make changes.

(d) Providing a purchase order number is only a statement of present intent to issue an Order and does not constitute an offer or contract for sale. Issuance of an Order does not constitute an obligation or evidence of an obligation of Buyer to continue to purchase Goods from Seller after expiration of an Order. Seller acknowledges Buyer has no such obligation.

2. Price, Discount, Payment, and Adjustment.

(a) Prices shall be as stated on the face of this Order and shall not be subject to escalation without Buyer's consent. All prices are in U.S. dollars and include shipping, insurance and freight in accordance with current Incoterms as stated on the Order unless otherwise indicated. Notwithstanding the above, Seller agrees that the prices stated shall not be less favorable than the prices extended to any other customer for the same or like materials, goods and/or services in comparable quantities, and that if prices for such materials, good and/or services are reduced prior to delivery, prices hereunder shall be reduced correspondingly. The prices are inclusive of all extra charges, including but not limited to charges for current or increased costs of materials, labor packing, shipping, labeling, custom duties & taxes, storage, containers, insurance and transportation except as otherwise specifically provided on the face of this Order. All taxes based upon sale, use or manufacture shall be shown separately on Seller's invoice.

(b) All payment periods, including any cash discount period shall be computed either on the date of delivery of the Goods ordered or the date of receipt of correct and proper invoices prepared in accordance with the terms of Buyer's Order, whichever date is later. For purpose of determining whether payment has been made on time or whether any discount has been earned, payment is deemed to be made on the date of postmark of Buyer's check. Upon reasonable notification to Seller, Buyer may withhold and deduct from any part of the price due under this Order, all or any part of the damages, including consequential damages, resulting from any breach of terms and conditions contained herein by Seller, or any other amount which Seller owes Buyer or any of Buyer's

associated companies arising out of or related to the transaction which is the subject of this Order or which is otherwise due from Seller to Buyer.

(c) Seller warrants prices for tooling, special equipment, and other special items required specifically for an Order, disclosed in quotations or otherwise, shall be Seller's net cost after all discounts, rebates and other benefits, whether the prices are to be separately paid by Buyer or amortized by Seller in the price for Goods.

(d) If an Order is described as a "Blanket" Order or in some other manner which indicates Buyer's obligation to purchase is limited to those Goods and quantities in releases or other written delivery instructions from Buyer ("Blanket Order"), the quantities and delivery dates in the Blanket Order are not binding on Buyer, and Buyer's obligation to purchase the Goods is expressly contingent upon the issuance of a release or other written delivery instructions ("Releases") by Buyer identifying the Goods and quantities to be purchased and providing delivery instructions. As to such a Blanket Order, Seller shall not fabricate or assemble any Goods, procure required materials, nor ship any Goods, except to the extent specifically authorized by the Blanket Order or by written Releases. Seller shall maintain at its expense and risk components, materials and finished Goods at the latest design level. Subject to change by Buyer's Releases, Seller is authorized to fabricate and assemble up to four weeks of finished Goods inventory and acquire up to an additional eight weeks of component and materials inventory based on Seller's latest Releases. Releases may be modified by Buyer at any time to the extent not contrary to specific terms of the Blanket Order. Buyer shall only be obligated to purchase Goods and those components and materials fabricated or acquired by Seller in reliance on a Release that established a firm or fixed quantity. Buyer may temporarily suspend delivery or modify delivery dates for fixed or firm quantities. Forecast and planning advisories are not Releases and may not be relied upon by Seller. Buyer may return over shipments to Seller at Seller's expense for all packing, handling, sorting, and transportation charges. Releases are included in the term "Blanket Order". Buyer has and/or will rely upon Seller's obligations to sell under a Blanket Order, and the obligation of Seller to sell under the prices and other terms of a Blanket Order continues during the period covered by the Blanket Order and thereafter for a reasonable time at the prices in effect at the end of such period after written notice by Seller that it will no longer supply under such prices so that Buyer may re-source the Goods.

(e) Buyer reserves the right to make changes in drawings, descriptions, specifications, quantities and delivery schedules as to any Goods covered by this Order. Goods to be furnished pursuant to this Order are to be in exact accordance with such Order, including without limitation, the descriptions and specifications, and identical with those furnished by Seller on the last previous Order, unless Seller has obtained written approval from Buyer prior to its acceptance of this Order, to make changes in specifications, or design of the Goods. Seller shall promptly notify Buyer when such modifications affect price or terms and shall request written authorization from Buyer before modifying the Order accordingly. Claims for adjustments under this clause must be asserted in writing within 30 days from the date of receipt of notification of the change (s). No modification, addition to, or waiver of any terms of this Order including any schedules hereto, shall be effective unless in writing and signed by an authorized representative of Buyer.

3. Shipment, Delivery and Order Cancellation. Time is of the essence in this contract. Delivery shall not be deemed to be complete until the Goods have been actually received and accepted by Buyer, notwithstanding any agreement to pay freight, express or other

transportation charges. Unless the time of delivery is specified on the face of this Order, Buyer retains the right to specify the time of delivery. Buyer reserves the right to refuse any Goods, and to cancel, unless otherwise specified herein, all or any part of this Order if Seller fails to deliver all or any part of the Goods in accordance with these terms, including, but not limited to, conformance to specifications and quantity ordered, or if Seller breaches any of the terms hereof including the warranties of Seller. Acceptance of any part of the Order shall not bind Buyer to accept future shipments, nor deprive it of the right to return Goods already accepted. Deliveries made in advance of the designated schedule are prohibited without Buyer's written consent. An itemized packing slip referring purchase order number, part number, lot number and vendor catalog number, as applicable, must be enclosed with each shipment. Failure to provide packing slips may result in excusable delay in processing Seller's invoices. Buyer's count shall be accepted as conclusive on all shipments not accompanied by a packing slip. Buyer may cancel all or any part of this Order prior to shipment. If an Order identified as a Blanket Order or no delivery schedule is provided, deliveries are to be made only in quantities and at times specified in Releases. Buyer shall have no liability for payment of Goods delivered to Buyer which are in excess of quantities specified in an Order or in Releases. Buyer may, from time to time, change delivery schedules or direct temporary suspension of scheduled shipments without additional charge.

4. Inspection. Payment for the Goods furnished hereunder shall not constitute acceptance thereof. All Goods are subject to Buyer's inspection, at the source or otherwise if deemed necessary or required by government regulation. Inspection at the source or otherwise may be made when deemed necessary by the Buyer. If any of the Goods are found at any time to be either latently or patently defective in design, material or workmanship, or otherwise not in exact conformity with the requirements of this Order, Buyer in addition to any other rights which it may have under warranties or otherwise, shall have the right to reject and return such goods at Seller's risk and expense, (plus, any inbound transportation charges). Such Goods will not to be replaced without written authorization by Buyer. Payments made to receive cash discounts or for Goods prior to inspection shall not constitute acceptance thereof and is without prejudice to Buyer's right to inspect and reject any or all Goods and to any and all claims that Buyer may have against Seller.

5. Title and Risk of Loss. Except as otherwise expressly provided herein, title to and risk of loss on all Goods shipped by Seller to Buyer shall pass to Buyer upon Buyer's inspection and acceptance of such items at Buyer's location.

6. Force Majeure. Buyer reserves the right to cancel, suspend or reject delivery of the whole or any part of the Goods covered by this Order in case of labor troubles, accidents, fires, invasion, riots, civil commotion, war, acts of God, government regulations or restrictions and any other causes beyond Buyer's reasonable control.

7. Warranties. In addition to any warranty implied by fact or law, Seller expressly warrants all Goods will, (1) be free from latent or patent defects in design, workmanship and materials, (2) conform strictly to applicable specifications, drawings and approved samples, and to any statements made on the containers, labels or advertisements for such Goods, if any, (3) be fit and suitable for the purpose intended, and (4) be merchantable. Such warranties shall be in addition to all other warranties, express, implied and statutory and, together with all service warranties of Seller, shall run to Buyer, its successors, assigns and customers. Payment, inspections, tests, subsequent orders or acceptance

of any materials, goods and/or services shall not constitute waiver of any breach of warranty. These warranties shall survive any inspection, delivery, acceptance or payment by Buyer.

8. Remedies. In the event of breach of warranty, Buyer may, at its option, without waiving its right to damages, either return for credit or require prompt correction or replacement of the defective or nonconforming Goods on terms satisfactory to Buyer. All returns hereunder shall be at Seller's expense. The remedies herein reserved shall be cumulative and additional to any other or further remedies provided in law or equity. No waiver of a breach of any provision of this contract resulting from this Order shall constitute a waiver of any other breach. Seller shall secure and maintain appropriate insurance coverage to the conduct of Seller's operations and the provision of goods and services under this Order. Upon Buyer's request, Seller shall provide an original certificate of insurance to Buyer evidencing such insurance. Buyer has no obligation to procure or maintain any minimum insurance coverage.

9. Indemnification. Seller agrees to indemnify, hold harmless and defend Buyer, its subsidiaries and affiliates, and their respective successors and assigns, from and against all claims, loss, damage or expense, and any other liabilities whatsoever, including without limitation, reasonable attorney's fees, arising from or by reason of any actual or claimed liability, damages, and/ or injuries, or any litigation based thereon, which may be incurred by Buyer, its subsidiaries and affiliates arising from or related to the (i) Goods covered by this Order, including latent or patent defects in designs or materials, (ii) negligence, gross negligence or willful misconduct of Seller, (iii) violation of any law or regulation by Seller, or (iv) breach by Seller of any of these General Terms and Conditions of Purchase. Such obligations shall survive payment and acceptance of the Goods by the Buyer. If this Order covers the performance of labor by Buyer, Seller agrees to indemnify and hold harmless Buyer, its subsidiaries and affiliates, and their respective successors and assigns, from and against all liabilities, claims or demands for injuries (including death) or damage to any person or property arising out of the performance of the contract which results from the acceptance of this Order by Seller. This indemnification is in addition to the warranty obligations of Seller and shall apply without regard to whether the claim, loss, damage, expense or liability is based on breach of contract, breach of warranty, negligence, gross negligence, strict liability or other tort. This indemnity survives delivery and acceptance of the Goods.

10. Patent Indemnity. Seller warrants that the Goods sold hereunder, and the use of such Goods by Buyer, its subsidiaries and affiliates, and their respective successors and assigns, or its customers, will not infringe any United States or foreign patent, copyright or trademark. Seller shall indemnify and hold Buyer, its subsidiaries and affiliates and their respective successors and assigns and its customers harmless from any and all liability for such infringement, including without limitation damages, costs, expenses (including reasonable attorney's fees), and lost profit arising from any claim that the manufacture, use, sale or resale of any Goods supplied under this Order infringe any patent, copyright or trademark rights, and Seller shall, when notified, defend any action or claim of such infringement at its own expense. This indemnity survives delivery and acceptance of the Goods. No specification or specifications with respect to any part of this Order shall constitute a warranty, express or implied, against any claims for infringement of patents, copyrights or trademarks and Buyer shall not be responsible to Seller, as indemnitor or otherwise, for or on account of any such claim or liability.

11. Insurance. Seller shall maintain such third-party liability and property damage insurance, including general and product liability and worker's compensation insurance coverage, with such insurers and in such amounts as shall be commercially reasonable. Seller shall, upon Buyer's request, provide Buyer with certificates evidencing such insurance. Seller shall not assign this Order or any interest herein, including performance, or any monies due hereunder, without Buyer's prior written consent.

12. Tool, Dies, Drawings and Materials. All tooling, dies, information and materials including, but not limited to, drawings, specifications, artwork, films, data or the like furnished by Buyer shall remain the property of the Buyer and shall be held by Seller only for work being done for the Buyer and shall be held in strict confidence. All materials, equipment and other supplies furnished by the Buyer on consignment for processing, repairs or other reasons shall remain the property of the Buyer. Buyer does not guarantee the quality or suitability of such tooling, dies or materials. Tooling subject hereto shall be maintained in good condition and must be permanently identified as the property of Buyer and shall be used solely in the performance of work order by Buyer. Seller shall maintain control of all such tooling, dies and materials and such items shall not be commingled with property belonging to Seller or others, except as such material may be incorporated into or attached to supplies consumed or expended in the performance of this Order. Seller shall return all such items to Buyer at the conclusion of the work in good condition or otherwise dispose thereof on Buyer's instructions at Buyer's expense. Invoices for tooling and/ or dies shall be submitted after acceptance by Buyer of sample or production parts for which the tolling was ordered and receipt by Buyer of Seller's certification that each tool listed is satisfactory for the use for which it is intended. All tools, dies and materials subject hereto shall be fully covered by Seller with fire and extended coverage insurance for protection of Buyer.

13. Liens. If this Order covers job site work, Seller shall be solely responsible for all claims of whatever nature arising out of non-payment for services, labor and materials furnished or contracted for by Seller in performance of work hereunder, including all liens which may be levied against Buyer, its subsidiaries and affiliates, and their respective successors and assigns, or its customers. Before final payments, or at any time upon Buyer's request, Seller shall furnish Buyer with an affidavit conforming to the laws of the state in which the work is performed, or in absence of any such laws then an affidavit satisfactory to Buyer setting forth the names and amounts due and remaining unpaid to all persons furnishing services, labor or materials hereunder. Buyer shall have the right to pay directly to all Sellers' creditors all such amounts as may be due them and deduct same from payments to Seller.

14. Assignment. Seller shall not assign under any circumstances in whole or in part to any person, government agency, partnership, firm or corporation, its rights or obligations under this Order or any contract entered into based hereon, without first obtaining written permission of Buyer. Any such assignment without the written consent of Buyer shall be void.

15. Waiver. Buyer's exercise or its failure to exercise any rights hereunder shall not constitute a waiver of any other rights and shall not constitute a waiver of any subsequent failure, delay or breach by the Seller.

16. Confidentiality/Use of Buyer's Data. This Order and any resulting contract, and all of its terms shall be held in strict confidence by the parties. Seller shall not, without prior written consent of Buyer, use or disclose any data, designs, descriptions, specifications or other

information belonging to or supplied by or on behalf of Buyer, except in performance of orders for Buyer. Upon Buyer's request, such data, designs, descriptions, specifications or other information and any copies thereof shall be returned to Buyer.

17. Applicable Law. This Order will be governed according to the laws of the State of California.

18. Fair Labor Standards Act. With regard to the manufacture of the materials and goods covered by this Order, Seller agrees to comply with the applicable requirements of the Fair Labor Standard Act, as amended, and of the regulations and orders of the Department of Labor issued thereunder. The following certificate must be included in all invoices in order to be approved: "We hereby certify that these goods were produced in compliance with all applicable Requirements of sections 6, 7 and 12 of the Fair Labor Standards Act, as amended, and of Regulations and Orders of the United States Department of Labor, issued under section 14 thereof."

19. Equal Employment Opportunity. Unless exempt, Seller shall comply with the requirements of Executive Orders 11246, 11625, 11701 and 11758 (related to equal employment opportunity, non-segregated facilities, minority business enterprises, employment of veterans and handicapped persons), incorporated by reference herein.

20. Safety and Health. Seller warrants that the goods furnished under this Order conform to and comply with all applicable standards pursuant to the occupational Safety and Health Act of 1970, including but not limited to all provisions of the Hazard Communications Standard (29CFR 1910.1200). Pursuant to same, materials and goods will be properly labeled and SDS's for hazardous materials will be sent to Buyer prior to or with the shipment. It is the obligation of the Seller to advise the Buyer of any precaution necessary in the storage, handling and use of materials purchased in this Order.

21. Severability. If any provisions of this Order or the application thereof to any person, entity or circumstance is held invalid for any reason whatsoever, such invalidity shall not affect the other provisions hereof or the application thereof to any other person, entity or circumstances which can be given effect without the invalid provision or application, and to this end the provisions of this Order and the application thereof are hereby declared to be severable.

22. Entire Agreement. This Order, and any documents identified herein, supersede all prior agreements and understandings between the parties, whether written or oral, relating to the subject matter hereof and this Order is intended by the parties as the complete and exclusive statement of the terms of their agreement concerning the subject matter hereof.

23. Termination. Notwithstanding any contrary terms above, Buyer shall have the right to cancel, in whole or in part, this Order or any contract resulting from its acceptance of this Order upon seven (7) days written notice from Buyer to Seller. In the event of such cancellation, Buyer shall have no obligation to Seller except that, if the cancellation is other than on account of fault by Seller, Buyer shall compensate Seller for direct costs actually incurred by Seller prior to cancellation, which costs are directly related to the fulfillment of Seller's obligations pursuant to this Order; such compensation shall be limited to that portion of such costs not recovered by the Seller through the sale, within a reasonable period of such cancellation, of Goods of third parties.