

ACCUTRON INC.

TERMS AND CONDITIONS

1. **ACCEPTANCE.** This order may be accepted by a written acknowledgement or commencement of performance or in any other reasonable manner.
2. **DELIVERIES.** The Buyer's Production Schedules are based upon the agreement that materials will be delivered to the Buyer by the date specified on the face of the purchase order. Time is therefore of the essence of this Purchase Order. If deliveries are not made at the time agreed upon the Buyer reserves the right to cancel or to purchase elsewhere and hold the Seller accountable therefore.
3. **PRICES.** If during the performance of this Purchase Order, Seller shall sell to any other customer products of the type covered by this Purchase Order at a price which is lower for the same or a lesser quantity than the price here under, the price to Buyer shall be adjusted to such lower price.
4. **QUANTITIES.** Shipments must be equal exact amounts unless otherwise agreed to by the Buyer.
5. **WARRANTY.** The seller warrants all materials or services delivered hereunder to be free from defect of material or workmanship and to conform strictly to any specifications, drawings or sample specified or furnished. This warranty shall survive any inspection, delivery, acceptance or payment by the Buyer of the materials or services.
6. **INSPECTION AND REJECTION.** Final inspection shall be on the Buyer's premises unless otherwise agreed in writing. Materials rejected, as not conforming to this Purchase Order shall be returned at the Seller's Expense, including transportation and handling costs.
7. **WORK AT THE BUYER'S PREMISES.** In the event this Purchase Order covers construction work, the installation of machinery and equipment, or the performance of services at the premises of the Buyer, Seller shall defend and save the Buyer harmless against claims of employees and agents of the Seller for the compensation payable under the Workmen's Compensation Act of the state in which the work or services covered by this Purchase Order is to be performed. Seller shall also defend, indemnify, and save buyer harmless from, for and against any and all liability, loss, outlay and expenses resulting from any accident or act of omission or commission of any employee or agent of Seller while engaged in the performance of the work or services covered by this Purchase Order.
8. **PATENTS.** Seller shall defend, indemnify and save the Buyer harmless against all claims, judgment, and awards which may be made under the patent laws of the United States and other countries resulting from the use or sale of any goods furnished pursuant to this Purchase Order, including goods manufactured in accordance with Buyer's specifications.
9. **TAXES.** Except as may be otherwise provided in this Purchase Order, the contract price includes all applicable federal, state, local taxes in effect on the date of this Purchase Order.
10. **ASSIGNMENT.** The Seller shall not delegate any duties, nor assign any rights' or claims under this Purchase Order, or for breach thereof, without prior written consent of the Buyer, and any such attempted delegation or assignment shall be void. All claims for moneys due or to become due from the Buyer for any set-off or counterclaim arising out of this or any other of the Buyer's Purchase Order with the Seller, whether such set-off or counterclaim arose before or after any such assignment by the Seller.
11. **BANKRUPTCY.** In the event of any proceeding, voluntary or involuntary in bankruptcy or insolvency by or against the Seller, including any proceeding under the Chandler Act, or in the event of the appointment with or without Seller's consent, of an assignee for the benefit of creditors or of a receiver, then the Buyer shall be entitled to cancel any unfilled part of this Purchase Order without any liability whatsoever.
12. **CONTRACT.** This Purchase Order and the acceptance thereof shall be a contract made in the state shown in the Buyer's address on the face of this Purchase Order and governed by the laws thereof.
13. **TRAFFIC ROUTING.** Any losses accruing from deviation from the Buyer's routing instructions will be charged to the Seller's account.
14. **PROOF OF SHIPMENT.** The Seller shall forward to the Buyer with the invoice the express receipt of bill of lading; signed by the carrier evidencing the fact that shipment has been made.
15. **SUPPLEMENTARY INFORMATION.** Any specifications, drawings, notes, instructions, engineering notices or technical data referred to in this Purchase Order shall be deemed to be incorporated herein by reference as if fully set forth. In case of any discrepancies or questions, the Seller shall refer to the Buyer for decision or instructions or for interpretation.
16. **TOOLING.** Whenever tools, die, fixtures from a line item on this orders, such tools shall be and remain the property solely of Accutron Inc. Such tools shall be maintained and kept in good operation condition. Upon demand such tools, dies or fixtures shall be delivered to Accutron Inc. via common carrier.