

GLOBE MACHINE MANUFACTURING COMPANY

STANDARD TERMS AND CONDITIONS OF PURCHASE

Seller by Accepting this order agrees to the following conditions of Purchase: "Unless otherwise provided herein, any written acknowledgement of this order of the delivery of any supplies or the furnishing of any services in accordance with purchase order shall constitute acceptance by the Seller of this purchase order subject to all its terms and conditions"

1. Buyer recognizes that Seller may for operating convenience desire to utilize its own form of sale note in acknowledging this order, or otherwise acknowledge it than by simple acceptance. Therefore, it is agreed that any provision in the form of acceptance used which modifies conflicts with, or contradicts any provision of this order, shall be deemed to be waived

2. For Seller's failure to comply with any condition hereof, Buyer may cancel this order without liability

3. The within purchase order and these conditions contain the entire agreement between Buyer and Seller and there are no prior or contemporaneous, oral or written understandings or agreements binding on Buyer affecting the subject-matter of the within order other than those expressly referred to herein. No agreement or other understanding in any way modifying the conditions of the contract resulting from the acceptance of the within order will be binding upon Buyer unless made in writing and signed by its authorized representative

4. This order must not be filled at prices higher than shown hereon without Buyer's written approval.

5. Seller warrants that all goods and work shall conform exactly to specifications, drawings and/or other description free from any defects in material and workmanship: of best quality and be fit and sufficient in all respects for their intended purposes. All goods received shall be subject to Buyer's inspection and acceptance or rejection within a reasonable time (not less than ten (10) days) after receipt at the Buyer's plant. Any goods not accepted by the Buyer shall be deemed to have been rejected. Buyer reserves the right to hold at Seller's risk or to return any goods which are not approved or do not comply with any conditions hereof, and Seller will bear and reimburse Buyer for all expenditures incurred by Buyer in connection with any such goods so returned, including freight costs.

6. Unless otherwise provided in this order or in other written agreement, delivery in whole or in part shall not be made more than 15 days prior to the agreed delivery date or dates, and earlier deliveries may be returned at Seller's risk and expense. Delay beyond the agreed schedule may subject this order or contract to cancellation. However, the agreed schedule may be changed by Buyer's option only if due to unforeseeable causes beyond the control and without the fault or negligence of Seller and if Seller notified Buyer in writing of the cause of such delay within a reasonable time from the beginning thereof or such longer period as Buyer may grant in writing.

7. Neither this order nor any payments hereunder are assignable or transferable without Buyer's written approval.

8. Buyer is not to be held responsible for stenographic or clerical mistakes.

9. No charges will be allowed for packaging, boxing, crating or cartage, except by specific agreement.

10. No charges will be allowed for communications (such as telephone calls telegrams, etc.) in connection with this order, except by specific agreement.

11. Seller shall comply with all applicable state, federal and local laws, rules and regulations.

12. In case tools, patterns, or equipment are provided by us, you are to assume responsibility therefore, and properly safeguard such property by insurance while in your possession.

13. All blueprints, patterns or tools preparatory to production of any articles to our design and charged as such to be considered our property and may be removed at our option.

14. Where material is made to our blueprint, our design shall not be elsewhere without permission from us.

15. Buyer reserves the right to cancel all or any part of this order which has not actually been shipped by Seller, in the event Buyer's business is interrupted because of strikes, labor disturbances, lockout, riot fire, act of God, or the public enemy, or

any other cause, whether like or unlike the foregoing, if beyond the reasonable efforts of the face of this order

16. The Seller will be responsible for any difference in freight charges arising from his failure to follow shipping instructions specified on the face of this order.

17. Buyer shall have the right to terminate this contract or order at any time by notice in writing. In the event of any termination (otherwise than for default of the Seller) if the Seller at the time of such termination shall have in stock or on firm order any raw, semi processed, or completed materials for use in fulfilling this contract or order, then in the case of (1) completed materials the Buyer may at its option, either require delivery of all or part of the completed materials and make payment therefore at the contract price, or pay to the Seller the excess, if any, of the contract price over the market price at the time of termination: an in the case of (2) raw and semi processed or partially completed materials, the Buyer may, at its option, either require the seller to complete and deliver all or part of said materials at the contract price, or the Buyer may pay to the Seller with respect to such raw and partially completed materials a proportion of the contract price based on the stage of completion of the materials and reduced by the value of the materials and in the case, (3) materials which the Seller has on firm order hereunder, the Buyer may either take an assignment of the Seller's rights under such order, or the Buyer may pay the costs, if any, of settling or discharging the Seller's obligations under such order. In determining the amount so due to the Seller on account of inventories of,

and commitments for, raw or semi processed materials suitable for use in the fulfillment of the uncompleted order shall be determined and the amount of each shall be allocated on a pro rata basis to all of the Seller's outstanding and uncompleted orders in the completion of performance of which such materials would be required, subject, however, to the limitation that the amount so allocated to this contract shall not exceed the amount necessary to perform the incomplete portion of this contract.

18. PATENTS: Unless otherwise agreed in writing, Seller agrees to assume defense of any suit for infringement of patents brought against Buyer or its vendees, based upon the goods covered by this order constituting an infringement, and to indemnify Buyer and said vendees against decree, costs and/or attorney's fees in such suit.

19. All equipment and/or material referred to in this purchase order shall be delivered to said Buyer in portion of this contract or order, the total quantity of each type of material which the Seller has in stock or on firm full compliance with the safety orders of the Division of Industrial Safety of the state to which it is delivered, and Seller named on reverse side agrees to these terms as a condition of sale.

20. Failure or indulgence of the Buyer to insist on strict performance or observance by the Seller of the written order or of these conditions or of Buyer's right in any one or more instance shall not constitute a waiver by the Buyer of such performance, conditions or rights either then or for the future,

21. The Seller shall indemnify the Buyer for all loss, costs, claims, suits and judgments for property damage and/or personal injury, including death, arising out of the work under this purchase order by the Seller, its agents, contractors or subcontractors, or employees of any of them howsoever caused.

22. Governing Law: This agreement resulting from this purchase order shall be governed by and construed under the laws of Washington State, USA, as applicable. Seller hereby agrees to the jurisdiction of the courts of Washington State over any and all disputes, claims and causes of action between Buyer and Seller. Any court claim shall be instituted in the judicial district where the Buyer's facility is located.