

A. ACCEPTANCE

1. This order is Buyer's offer to purchase the goods and services described on the reverse hereof from Seller. Buyer's placement of this order with Seller expressly conditioned upon Seller's acceptance of all the items and conditions of purchase contained on or attached to this order.
2. Any additional or different items or conditions which may appear in any communication from Seller are hereby expressly objected to and shall not be effective or binding unless specifically agreed to in writing by Buyer's Purchasing Department and no such additional or different items or conditions in any printed form of Seller shall become part of this contract despite Buyer's acceptance of goods or services unless such acceptance specifically recognizes and assents to their inclusions.
3. Any objection by Seller to the terms and conditions hereof shall be ineffective unless Buyer is advised in writing thereof within ten days of the date of this order.

B. IDENTIFICATION: All invoices, packages, shipping notices and other written documents affecting this order shall contain the applicable order number. Packing lists shall be enclosed in each box or package shipped pursuant to this order indicating the contents therein. Invoices will not be processed for payment until all items invoiced are received.

C. SHIPPING INSTRUCTIONS: All goods are to be shipped freight prepaid, FOB destination, unless otherwise stated. Shipping arrangements may be specified by Buyer when necessary. Each invoice for shipping charges shall be accompanied by the original or a copy of the bill indicating that such charges have been paid. Buyer reserves the right to reject COD shipments.

D. SPECIAL CHARGES: Seller shall be responsible for the payment of all charges for handling, packaging, wrapping bags, containers, and related matters unless Buyer has assumed an express obligation therefore by notation on the reverse side hereof.

E. DELIVERY: This order may be terminated if delivery is not made or services are not performed by the date specified on the reverse side hereof. No change in the scheduled delivery date or performance will be permitted without Buyer's prior written consent. No acceptance of goods or services after the scheduled delivery date will waive Buyer's rights with respect to such late delivery nor shall be deemed a waiver of future compliance with the terms hereof.

F. PAYMENT: Buyer will remit payment to Seller by mail. Seller agrees not to deliver goods on a sight draft basis.

G. PRICES: If price is not stated on this order, it is agreed that the goods or services shall be billed at the price last quoted or paid by a customer of Seller, or the prevailing market price, whichever is lower.

H. CASH DISCOUNT: If Buyer is entitled to a cash discount, the period of computation thereof will commence on the date of acceptance or receipt of a correctly completed invoice, whichever is later. If an adjustment in payment is necessary due to damage, the cash discount period shall commence on the date on which an agreed adjustment of price is reached. If a cash discount is made part of the contract, but the invoice does not reflect the existence thereof, Buyer is entitled to a cash discount with the period commencing on the date Buyer determines that a cash discount applies.

I. TAXES: Seller shall pay all taxes which may arise out of its sale of the goods and services to Buyer. Buyer agrees to pay Indiana State Sales or Use taxes or to provide Seller an exemption certificate.

J. ASSIGNMENT: Seller shall not assign this contract or the right to payment due hereunder without Buyer's prior written consent.

K. LIENS, CLAIMS AND ENCUMBRANCES: Seller warrants and represents that all the goods will, when delivered hereunder, be free and clear of all liens, claims or encumbrances of every kind.

L. REJECTION: All goods purchased hereunder are subject to Buyer's inspection and approval. Goods rejected by Buyer for whatever reason shall be held, and transported and/or stored at Seller's sole expense. Seller shall promptly reimburse Buyer for any such expense.

M. DEFAULT: Buyer may, subject to the provisions of paragraph N, by written notice of default to Seller, cancel the whole or any part of this order or exercise any other remedy provided Buyers of goods by law or in equity including any remedy under the Uniform Commercial Code (RCW Chapter 62A) in any of the following circumstances:

1. If Seller fails to make delivery of the goods or to perform the services within the time specified herein or any extension thereof.
2. If, in Buyer's good faith judgement, the Seller fails to perform any of the other provisions of this order or fails to make progress as to endanger performance of this order in accordance with its terms and does not cure such failure within a period of ten days, or such longer period as Buyer may authorize in writing, after receipt of notice from Buyer specifying such failure.
3. Seller is in breach of any of the terms or conditions of this order.
4. If Seller becomes insolvent or makes an assignment for the benefit of creditors, or if there shall be instituted by or against Seller any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt or insolvency law of any jurisdiction or for the appointment of a receiver or trustee in respect to any of Seller's property and such proceeding is not dismissed or cured within 60 days.

N. REMEDIES: Not by way of limitation, the remedies of the parties include:

1. If Buyer cancels this order in whole or in part as provided in paragraph M, Buyer may procure upon such terms and in such manner as Buyer may deem appropriate goods or services similar to those canceled and Seller shall be liable to Buyer for any excess costs for such similar supplies or services, provided that Seller shall continue the performance of this order to the extent not canceled under the provisions of this order.
2. The rights and remedies of Buyer provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this order.
3. This failure of the Buyer to insist upon strict performance of any of the terms of this order or to exercise any rights hereunder shall not be construed as a waiver of Buyer's rights.

O. WARRANTIES: Seller warrants goods supplied and work or services performed under this order conform to specifications herein and are MERCHANTABILITY and fit for the particular purposes for which goods are ordinarily employed.

1. Seller further warrants to the Buyer and to any third party ultimately using any item whether such third party is a customer of Buyer or not, that all items delivered under this order will be free from defects in material and workmanship and will conform to applicable specifications, drawings, samples, and descriptions. If Seller is responsible for design of items, Seller warrants that all items delivered under this order will be suitable for use by Buyer, including installation by Buyer in its ultimate products. Buyer's written approval of designs furnished by Seller shall not relieve Seller of its obligations under this warranty.
2. Seller shall be liable for all damages both to Buyer and its customers incurred as a result of any defect or breach of warranty in any item covered by this order.
3. The foregoing express warranties shall be in addition to any warranty customarily made by Seller of its product and any implied warranties and shall be construed as

conditions as well as warranties.

4. SELLER'S WARRANTY SHALL EXTEND FOR A PERIOD OF 24 MONTHS AFTER THE ITEM IS DELIVERED AND ACCEPTED BY BUYER AND APPLIED TO ITS INTENDED USE. Where Buyer incorporates that item into a product of Buyer to be delivered to its customer, Seller's obligation under this clause shall be for the benefit of Buyer's customer and shall extend to two years after application of the item to its intended use.
5. The warranties represented and covenants of parties hereto shall survive the delivery of goods or completion of the work or services provided and be fully enforceable thereafter. Seller's warranty hereunder is part consideration for this order; any payment by Buyer hereunder is conditional upon this warranty remaining in effect; and no modification or other change of this warranty shall be valid unless evidenced by Buyer's written change order.

P. QUALITY STANDARDS If a special brand is listed in this order, the goods being purchased must meet the standard for quality, performance, and use of such brand. If Seller is willing to supply a product equivalent to the designated special brand, it must first provide Buyer with descriptive literature identifying its brand, including the quality, performance, and applications therefore. If Buyer elects to accept goods purported to be equal to the special brand, the goods may be rejected and dealt with as provided in paragraph 12 hereof, if labor is determined to be nonconforming.

Q. INSPECTION AND QUALITY CONTROL:

1. All terms furnished under this order by Seller to Buyer shall be subject to inspection and tests by Buyer, or representatives of third party purchasing Buyer's product in which items will be used (User's Representative). To the extent practicable inspection may be made at all times and places, including the period of manufacture and prior to acceptance.
2. Seller shall provide and maintain inspection and quality control systems acceptable to Buyer covering the items furnished hereunder. Records of all inspection work by both Buyer and Seller shall be kept intact and made available upon request to the other party during the performance of this order and for six years following delivery under this order.
3. Seller shall provide Buyer appropriate material certifications as described on the reverse hereof, including but not limited to, American Bureau of Shipping Inspection Certificates, material, physical, and/or chemical analysis certifications. OSHA/WISHA Material Safety Data Sheets, and U.S. Coast Guard acceptance certifications.

R. INFRINGEMENTS: Seller warrants that Buyer's purchase, installation and/or use of the goods covered hereby will not result in any claim of infringement, or actual infringement of any patent, trademark, copyright, franchise, or other intellectual property right. Seller shall indemnify and hold Buyer harmless from and against all claims, losses, expenses, damages, causes of action and liabilities of every kind and nature, including without limitation reasonable attorneys' fees (without waiver of Seller's obligation to indemnify Buyer hereunder), arising from or out of any breach of the foregoing warranty.

S. RISK OF LOSS: Regardless of FOB Point, Seller agrees to bear all risk of loss, injury, or destruction of goods and materials ordered herein which occur prior to acceptance by Buyer. No such loss, injury, or destruction shall release Seller from any obligations hereunder.

T. INDEMNIFICATION - HOLD HARMLESS: Seller shall indemnify and hold buyer harmless from and against all claims, losses, expenses, damages, causes of actions, and liabilities of every kind and nature including without limitation reasonable attorneys' fees, without waiver of Seller's obligation to indemnify Buyer hereunder, arising from or out of any alleged breach of any Seller's obligations or warranties hereunder or form other acts or omissions of Seller, its officers, agents, employees, subcontractors, and guests, howsoever caused, instituted by persons who purchase from Buyer or use product purchased from Seller.

U. OSHA/WISHA: Seller shall comply with the conditions of the Federal Occupational Safety and Health Act of 1970 (OSHA), the Washington Industrial Safety and Health Act of 1973 (WISHA), as amended, and the standards and regulations issued thereunder, and certifies that all items furnished and purchased under this order will conform to and comply with such applicable standards and regulations.

V. SPECIAL TOOLING, DRAWINGS, OR SPECIFICATIONS:

1. Seller is responsible for the protection, calibration, maintenance, and care (other than normal wear) of all tooling and equipment owned by Buyer. Said tooling or equipment shall be subject to surveillance inspection upon notice and shall be returned in an acceptable condition upon demand or notice.
2. Except as otherwise specified in this order, any special tooling, including jigs, dies, fixtures, molds, patterns, special gauges, special test equipment and other items shall be furnished by and at the expense of Seller for the Buyer, shall be stamped or painted "Property of Hydra-Tech, Inc." and shall be stored separately when not in use. Special tooling shall be kept in good condition by Seller and when necessary, replaced by Seller without expense to the Buyer. Title to special tooling shall be in Buyer, and all parts made from Buyer's special toolings are to be supplied to Buyer exclusively.
3. Any drawings and specifications, prepared by Seller are to become the property of Buyer and shall be marked "Property of Hydra-Tech, Inc." and shall be stored separately when not in use. Such drawings or specifications will be sent to Hydra-Tech, Inc., attention Purchasing Manager, upon request.

W. DISCLOSURE OF INFORMATION: All data and information not already in the public domain, developed or disclosed during the life of this order, will be the property of the Buyer and will be classified in secrecy and confidence by the Seller. Seller will keep confidential all such data and information until it comes into the public domain or until Buyer consents in writing to disclosure.

X. ATTORNEYS' FEES: In any suit or action brought to enforce any term, condition, or covenant herein, or to recover the damages arising from any breach of this contract, the losing party shall pay to the prevailing party reasonable attorneys' fees and all other costs and expenses which may be incurred by the prevailing party in any such suit or action and in any reviews thereof and appeals therefrom.

Y. LAW: The laws of the State of Indiana shall govern this order, and the venue of any action brought hereunder may be laid in or transferred to the County of Allen, State of Indiana.

Z. INTENDED USE: Unless otherwise stated, the goods ordered are to have an intended use in the manufacture, construction, modification, maintenance, repair and/or servicing of the company's products and facilities.