

PURCHASE ORDER TERMS AND CONDITIONS

1. PACKAGING - No charges allowed for packaging or cartage unless noted on the face of this order. All goods must be so packed as to secure lowest possible freight rates and must be shipped by cheapest means possible unless otherwise noted. Buyer shall be notified as soon as possible when shipments will be made. Articles shall be packaged in a manner as to prevent damage during transportation.

2. PATENT WARRANTY - To the extent the articles to be furnished hereunder are not manufactured pursuant to design originated by the Buyer, the Seller, by accepting this order, warrants that the sale or use of any and all articles or materials delivered hereunder will not infringe any United States or Foreign patent and agrees that he will, at his sole cost and expense, defend and action, suit or claim in which a violation or patent rights is alleged with respect to the sale of use of any material or articles ordered hereby, and that he will hold harmless the Buyer and its customers, and either of them, for any loss, damage or liability incurred on account or any violation or alleged violation of patent rights with reference to the materials or articles ordered hereby.

3. MATERIAL & WORKMANSHIP - Seller represents, warrants, and guarantees that all articles or materials delivered hereunder shall be free from defects of material or workmanship and that such articles or materials when delivered will conform to specifications, drawings, and descriptions specified.

4. INSPECTION - Buyer shall have the right to inspect all materials ordered in Seller's plant before shipment and in its own plant after delivery by Seller. Buyer may reject and all articles or materials not conforming to plans, specifications or descriptions. Such rejected material held by Acro Machining, Inc. pending Sellers' disposition will be at Sellers risk. Delivery of defective material shall not be deemed to satisfy the delivery schedule required herein nor shall acceptance of any item be deemed to alter or affect the obligation of Seller or the rights of Buyer.

5. COMPLIANCE WITH LAWS, RULES, & REGULATIONS - Seller agrees to comply with all applicable State, federal, and local laws in the purchase, manufacture, processing, and delivery of the articles or materials ordered hereby. All pertinent Federal Regulations apply to this order to the extent applicable.

6. GOVERNMENT REQUIREMENTS - If any of the work to be performed on the purchase order is performed in the United States the Supplier shall, at the request of Acro Machining, Inc., certify that the Products or Services covered by the purchase order were produced in compliance with the Fair Labor Standards Act (29 U.S.C 201-291), as amended, and the regulations and orders of the U.S. Department of Labor issued there under. In addition, the following FAR's are incorporated herein either by attachment to this document or by some other means of reference.

FAR 52.222-26 "Equal Opportunity"

FAR 52.222-35 "Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era"

FAR 52.222-36 "Affirmative Action for Workers with Disabilities"

FAR 52.247-64 "Preference for Privately Owned U.S. Flagged Commercial Vessels"

7. CHANGES - No change or modification on the face of this order or by agreement or otherwise shall be binding upon Buyer until accepted in writing by its authorized representative. If any such change causes

any increase or decrease in the cost of said article or material, and equitable adjustment shall be made between Buyer and Seller and the order modified in writing accordingly.

8. ASSIGNMENT - Neither this purchase order nor any interest therein shall be assigned or transferred without prior written approval of Buyer.

9. CANCELLATION - Buyer reserves the right to cancel this order without penalty if prices or deliveries specified by the Seller upon the acknowledgement copy of this order are unsatisfactory or if shipments are not made as promised, and may consider such failure or non-compliance as a breach of this contract. Buyer expressly retains all its rights and remedies provided by law in the case of such breach and no action by Buyer shall constitute a waiver of any such right or remedy.

10. CONFIDENTIALITY-Seller shall not disclose any details connected herewith to any third party without written consent of Buyer.

11. PAYMENT - Payment of Sellers invoice is subject to adjustment for any shortage or rejection.

12. ACCEPTANCE-This purchase order constitutes Buyer's offer to Seller and becomes a binding contract on the terms set forth herein when it is accepted by seller either by acknowledgement or beginning performance.

13. QUALITY REQUIREMENTS - See Quality Flow-Down Requirements (AS9100/ISO 9001). See form 40505