



# STANDARD TERMS AND CONDITIONS

## 1. BILLING AND SHIPPING REQUIREMENTS

- A. Buyer's order number or other markings as required must appear on all packages, packing slips, bill of lading and invoices.
- B. Packing slips and bill of lading must accompany each shipment.
- C. No valuation is to be declared on any shipments.
- D. Seller must forward for each order invoices, bill of lading and packing slip immediately upon shipment or payment will be withheld.
- E. Copies of the original paid freight bill must accompany charges for prepaid freight.
- F. If shipment is directed to Buyer's field site, freight must be prepaid or shipment will be returned at Seller's expense.

2. Delivery or furnishing of any equipment, materials or labor in accordance with this Purchase Order or written acceptance or acknowledgement thereof shall constitute acceptance by Seller of this Purchase Order subject to these Terms and Conditions and any other terms and conditions or specifications made a part hereof.

3. If Seller's deliveries fall behind schedule, Buyer may call for express shipment. In such case, Seller will be liable for the extra cost.

4. In addition to any other remedies provided by law, Buyer reserves the right to cancel this Purchasing Order at any time without any obligation to Seller if not filled promptly or not filled as specified. Time is of the essence in connection with Seller's performance under this Purchase Order.

5. Partial shipments will not be accepted unless authorized.



6. Defective equipment and materials will be returned at Seller's expense for credit of fixed in the field at the Seller's expense in Buyer's sole and final discretion.

7. Seller agrees, in connection with the production of the equipment and materials and/or performance of the services specified herein, to comply with all applicable federal, state and local laws, rules and regulations including without limitation and requirements of the Federal Fair Labor Standard Act of 1938, as amended, and the Federal Occupational Safety and Health Act of 1970, as amended, and all the rules and regulations issued pursuant thereto. Seller agrees at its sole expense to replace nonconforming equipment and materials with equipment and materials which conform to this agreement.

8. All equipment and materials shall be new and of the most efficient design and type for the purpose required. All workmanship shall be first class.

9. Neither final payment nor any provision in this Purchase Order or otherwise shall relieve Seller from the responsibility for faulty materials or faulty equipment, materials or workmanship and without limiting other warranties, express or implied, or other remedies available to Buyer, Seller shall remedy any defects due thereto and pay for any damages to other work resulting therefrom, which shall appear within a period of one year from the date of acceptance by Buyer, or its customer, or such additional period of time which is called for elsewhere in this Purchase Order.

10. Seller guarantees that the sale or use of its product will not infringe any patent or process of manufacture and covenants that it will, at its own expense, defend every suit or action which shall be brought against Buyer or those selling or using any product of the Buyer for any alleged infringement or claim of infringement of any patent or process of manufacture by reason of the sale or use of said Buyer's product, and agrees that it will pay all cost, damages and expenses which Buyer might sustain thereby.



11. Seller agrees to assume all risks and liability and to hold and save Buyer harmless from and to indemnify, protect and defend Buyer against all liability, claims, suits, damages, including attorney fees, for injury, including death, to any person, or damage to any property, wherever located, growing out of or any way relating to the performance of this Purchase Order or arising out of any sale or possession of Seller's product.

12. If deliveries are not from Seller's stock, waivers of lien and affidavits in duplicate must accompany all invoices as to labor expended and materials supplied in connection with this Purchase Order or payment will be withheld.

13. If material ordered is delivered from Seller's stock, invoices will be paid on acceptance and receipt of payment from Buyer's customer. Otherwise, invoices will be paid, on term basis, upon receipt and acceptance of each at the rate of ninety (90) percent thereof. Balance payable upon completion, payment and acceptance of the work by Buyer's customer.

14. This Agreement is final and complete and it is agreed by Seller and Buyer that all prior discussions and negotiations are merged herein. No agreement or other understanding in any way purporting to modify the terms and conditions hereof will be binding unless made in writing and signed by Buyer and Seller.

15. This Agreement shall be governed by the law of the State of Michigan.

16. "The Equal Opportunity Clause contained in Executive Order 11246, as amended and all provisions of 41CFR60-250, as amended, pertaining to Affirmative Action of Disabled Veterans and for Veterans of the Vietnam Era, and all provisions of 41CFR60-741, as amended, pertaining to Affirmative Action for Handicapped Workers, are incorporated herein. In the event certifications are required by these



provisions, they shall be deemed to have been made by Seller's acknowledgement or performance of the work under the Order."

17. Seller hereby certifies that the sale and delivery of these goods is not in violation of the Toxic Substance Control Act or any regulation promulgated thereunder.

18. Buyer may at any time cancel any part or all of this Purchase Order for reason, and Seller will immediately take all reasonable steps to minimize its cost. If the cancellation is for any reason other than described in Paragraph 4 set forth above, Buyer shall pay Seller for the cost of equipment and materials actually completed in conformity with this Purchase Order and work in progress. Seller shall deliver the complete equipment, materials and work in progress in, accordance with Buyer's instructions. Payment shall be made when Buyer has received payment from its customers and following delivery of the equipment and materials. Seller shall not receive any allowance for unperformed work or anticipate profits and Seller's cost shall not include any charges in excess of ten (10) percent of the direct costs of the completed equipment and materials and work in progress. Except as set forth in this paragraph, Seller shall not be entitled to any claim of lien against Buyer or against its customer for any additional compensation or damage in the event of cancellation by Buyer.

#### 19. INSTRUCTIONS FOR STATE AND SALES OR USE TAXES

- A. Taxable
- B. Resale- Michigan License No. 68-1234486
- C. Industrial Processing
- D. Status to be determined (See Below)

Do not bill state and local sales, use or similar taxes. Tax to be paid if used for taxable purposes. Buyer request that Seller not bill state and local sales, use or similar taxes on material covered by this Purchase Order and undertakes to indemnify and hold Seller harmless for the amount of any such tax, together with interest and penalties thereon, which is assigned against Seller by any state because of its compliance with this request; provided that Seller shall promptly notify Buyer of any assessment,



proposed assessment or other action taken by state with respect to such tax, interest or penalties and afford Buyer the opportunity to resist such action at the expense of Buyer and cooperate therein with Buyer to the extent necessary