

MUNACO PACKING AND RUBBER COMPANY, INC. TERMS AND CONDITIONS OF PURCHASES

ACCEPTANCE, AGREEMENT. Acceptance of a Purchase Order is limited to the terms contained on the Purchase Order and the Terms and Conditions of the Purchase detailed hereof. Any additional or different terms proposed by the Seller or on the Seller's form are hereby deemed material alterations and are rejected unless expressly agreed to in a written document signed by an Authorized Representative of the Buyer.

PRICE. The Buyer shall pay the Seller the price shown on the Buyer's Purchase Order. The price is firm and not subject to escalation without the Buyer's consent. No extra charges of any kind will be allowed. If there are issues regarding the additional costs, they must be disclosed to the Buyer prior to shipment and the Buyer must issue a written change order to the Seller.

SHIPPING. Item shall be shipped per the Buyer's instructions on the Purchase Order. If the Buyer's shipping instructions are not followed, the Buyer reserves the right to deduct any excess costs incurred from the Seller. In the event an item is shipped direct to the Buyer's customer from the Seller, the Seller shall provide a tracking number or bill of lading with the invoice.

PAYMENT. The Buyer agrees to pay any valid invoice within 30 days of receipt via check or upon other terms expressly agreed to in a written document signed by an Authorized Representative of the Buyer.

ACKNOWLEDGEMENTS, PACKING LISTS, AND INVOICES submitted by the Seller shall reference the Buyer's Purchase Order number, release number, part number/item code, description, and quantity of items shipped.

CHANGES. The Buyer shall have the right to make changes to a Purchase Order at any time, and the Seller agrees to accept such changes. If such changes result in additional costs, the Buyer shall make an equitable adjustment in the purchase price provided such additional costs are itemized for the Buyer by the Seller within thirty days of the change.

DELIVERY AND PERFORMANCE. The Seller shall provide deliverables and perform services according to the Buyer's schedule. If the Seller is unable to make delivery in accordance to the Buyer's schedule, the Seller shall immediately notify the Buyer and provide a revised date. The Seller is not liable for delays in performance or delivery due to a cause beyond its reasonable control. If the Seller does not comply with the Buyer's delivery schedule or fails to make progress as to endanger performance, the Buyer may, at its option, either approve a revised delivery schedule or terminate the Purchase Order without liability to the Buyer, in addition to pursuing other rights. The Buyer may return, at the Seller's expense, items delivered to the Buyer early.

QUALITY. The Seller shall supply material in accordance with the Buyer's specifications. Payment for goods delivered shall not constitute acceptance thereof. Any material that does not fully comply with the Buyer's specifications or is found to be defective is subject to rejection and shall be returned at the Seller's expense.

TITLE AND WARRANTY. The seller warrants that it has good title to any material sold hereunder and that it has the right to transfer such title. Seller also warrants that all goods or services furnished to the Buyer shall be merchantable and free from any defects in workmanship or material for at least twelve months from the date of shipment to the ultimate customer and shall conform to all specifications and appropriate standards. If the Seller has been informed of the use of the goods, the Seller also warrants that the items furnished are fit for such use. The Seller shall indemnify and save the Buyer harmless from any breach of these warranties, and no limitations on the Buyer's remedy in the Seller's documents shall operate to reduce this indemnification. The Seller shall extend all warranties it receives from its vendors to the Buyer, and the Seller's warranty shall extend to the Buyer's customers.

LIABILITY. The Seller agrees to defend the Buyer, at the Seller's expense, against all claims made against the Buyer, arising out of or relating to the Seller's products or the Seller's performance under the Purchase Order, including but not limited to claims based on (1) breach of any of the warranties set forth in this contract, (2) late performance, except excusable delays, (3) defective products or performance, (4) failure of the Seller's products or performance to conform to specifications, the NEC, or government code requirements, or (5) infringement of any patent, trademark, or copyright. The Seller further agrees to indemnify the Buyer for all judgments, settlements, expenses and legal fees the Buyer incurs arising from such claims, including, if the Seller fails to defend, legal fees, and expenses of enforcement of this indemnity. The Buyer, at its option, may be represented by and actively participate through its own counsel in any such suit or action. In the event of any claim or infringement resulting from the purchase of goods from the Seller, the Buyer may cancel (without prejudice to any claims that the Buyer may have against Seller) any or all of the unfilled portions of Purchase Orders for goods and may return to the Seller for full refund the unused portion of goods.

TERMINATION. The Buyer reserves the right to terminate this contract for its convenience. In such event, the Seller shall immediately stop all work and follow any instructions from the Buyer as to work in progress. The Seller shall be paid for an equitable adjustment for work already performed. The Buyer may also terminate this contract for cause upon a default by the Seller. In such event, the Buyer shall not be liable to the Seller for any amounts, and the Seller shall be liable for, and shall indemnify and hold the Buyer harmless from any damages occasioned by the Seller's default. If it should be determined that the Buyer has improperly terminated this contract for default, such termination shall be deemed to be for the Buyer's convenience.

FORCE MAJEURE. The Buyer may delay delivery or acceptance of goods for causes beyond its control. The Seller will hold such goods pending the Buyer's instructions, and the Buyer shall be liable only for direct increased costs incurred by the Seller due to the Buyer's instructions.

LIMITATION ON BUYER'S LIABILITY. The Buyer shall not be liable for anticipated profits or for incidental or consequential damages. The Buyer's liability on any claims of any kind arising out a Purchase Order shall not exceed the price allocable to the goods or services that give rise to the claim.

GOVERNMENTAL REGULATION. The Seller warrants that all applicable laws, rules, and regulations of all government authorities covering the production, sale, and delivery of purchased goods or services have been complied with including without limitation:

1. Fair Labor Standards Act. The Seller represents that all items are produced in compliance with the Fair Labor Standards Act of 1938 as amended.
2. Use of Workers/Subcontractors. Unless exempt, the Seller shall comply with the Equal Opportunity Clause 41 CFR 60-1.4; the Affirmative Action Clause regarding Disabled Veterans of the Vietnam Era in 41 CFR 60-250-4; the Affirmative Action Clause regarding Handicapped Workers in 41 CRR 60-741.4; any other provisions required by the Office of Federal Contract Compliance Programs as set forth in 41 CFR Chapter 60; and any other applicable Executive Orders.
3. Environmental Safety. The Seller represents and warrants that each chemical substance listed or contained in an item listed on the Purchase Order is on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Agency under the Toxic Substances Control Act as amended. The Seller warrants that the items comply with Federal Hazardous Substances Act as amended.
4. Labor Force. The Seller certifies that no items supplied under the Purchase Order have been produced utilizing forced, indentured, or convict labor or utilizing the labor of persons in violation of the minimum working age law in the country of manufacture. In the event the Buyer determines that the Seller's certification is untrue, the Buyer shall have the right to immediately terminate the Purchase Order without further compensation to the Seller.
5. Material Safety Data Sheets ("MSDS"). The Seller shall provide MSDS sheets, as required by law, with each shipment or post on the Seller's website.