

SHUR-KUT SUPPLY CORPORATION SUPPLY CORPORATION

Purchase Order Terms & Conditions

I. Complete Agreement:

The terms and conditions of this purchase order set forth the entire agreement between the parties hereto and supersede all previous communications, proposals, representations or agreements, whether written or oral. No agreement or understanding which varies or extend the terms or conditions of this purchase order will be binding unless issued in writing by SHUR-KUT SUPPLY CORPORATION or a duly assigned officer or representative of SHUR-KUT SUPPLY CORPORATION. No conditions stated by the SUPPLIER in its acknowledgment of this order shall be binding upon SHUR-KUT SUPPLY CORPORATION if in conflict with, inconsistent with, or in addition to the terms and conditions stated herein. Any such conditions, if not agreed to by SHUR-KUT SUPPLY CORPORATION through a subsequent purchase order amendment, have been rejected by SHUR-KUT SUPPLY CORPORATION.

II. Subcontracting / Assignment:

SUPPLIER agrees that it will not enter into a subcontract or purchase order for the procurement of the items covered by this order in completed or substantially completed form, and the monies due there under shall not be assigned, nor any part thereof, without securing the written approval of SHUR-KUT SUPPLY CORPORATION.

III. Compliance:

SUPPLIER will comply with all applicable federal, state, and local laws, orders, regulations and ordinances in performance of this purchase order. SUPPLIER covenants and agrees to save and hold SHUR-KUT SUPPLY CORPORATION harmless from and reimburse same or any, and all costs, damages, and expenses, including reasonable attorney's fees, suffered or occasioned to SHUR-KUT SUPPLY CORPORATION through any failure of SUPPLIER to comply with such laws, orders, regulations, and ordinances.

IV. Warranty:

SUPPLIER expressly warrants that all articles ordered to specifications, drawings, or other descriptions furnished by SHUR-KUT SUPPLY CORPORATION will conform thereto, and that all articles will be of good quality and workmanship and free of defect.

V. Addenda:

All supplemental sheets, schedules, exhibits, specifications, drawings, data, or riders, which may be annexed hereto, are made part of this order, and SUPPLIER agrees by acceptance that all such information has been available and that it will be the responsibility of the SUPPLIER to perform all work called for in the completion of this order.

VI. Changes:

SHUR-KUT SUPPLY CORPORATION may at any time, by written amendment, make changes in the drawings, specifications, or other descriptions furnished, quantity of product ordered, delivery schedule, or any other element of this purchase order. If any such changes cause an increase or decrease in purchase order value, in time required for performance, an equitable adjustment shall be made and this purchase order shall be modified in writing. Any claim for adjustment under this provision must be submitted in writing within 30 days from the date the changed is ordered. No modification of this order shall be binding on SHUR-KUT SUPPLY CORPORATION unless made by a formal purchase order amendment, signed by SHUR-KUT SUPPLY CORPORATION or a duly authorized representative.

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VII. Quality System:

SUPPLIER shall maintain a quality system acceptable to SHUR-KUT SUPPLY CORPORATION. The quality system, and all materials and workmanship shall, at the discretion of SHUR-KUT SUPPLY CORPORATION, be subject to survey, source inspection and test by SHUR-KUT SUPPLY CORPORATION or customer(s) of SHUR-KUT SUPPLY CORPORATION at any reasonable time at the facility of the SUPPLIER. All parts will also be subject to final inspection at SHUR-KUT SUPPLY CORPORATION facility for conformance. Any non-conforming articles due to unacceptable workmanship on the part of the SUPPLIER shall be removed at the expense of the SUPPLIER, including transportation both ways. The SUPPLIER shall bear all risk of loss or damage to rejected articles. In addition to their right of rejection, and without limitation to any other remedy, SHUR-KUT SUPPLY CORPORATION may require prompt repair and/or replacement of rejected articles or elect to retain them and remedy any defects. Cost of remedying such defects shall be deducted from the amount due to the SUPPLIER.

VIII. Responsibility:

SUPPLIER, while in possession of property of SHUR-KUT SUPPLY CORPORATION, or the customer(s) of SHUR-KUT SUPPLY CORPORATION property shall be liable for its loss or damage except for reasonable wear and tear and/or normal manufacturing losses. SUPPLIER shall maintain such property, in good condition, and dispose of same as instructed by SHUR-KUT SUPPLY CORPORATION at the completion of this order.

IX. Drawings, Specifications, Technical Information:

All drawings, specifications, and materials, including data, designs, inventions, CNC programs, tooling/fixtures, and other technical information, supplied by SHUR-KUT SUPPLY CORPORATION in connection herewith (hereinafter called "data") shall remain the property of SHUR-KUT SUPPLY CORPORATION and shall be held in confidence by the SUPPLIER. Except in the performance of this order, such data shall not be reproduced, used and/or disclosed to others by the SUPPLIER, including any government, person, or firm without SHUR-KUT SUPPLY CORPORATION's written consent

X. Materials:

If SHUR-KUT SUPPLY CORPORATION furnishes materials, SUPPLIER shall return to SHUR-KUT SUPPLY CORPORATION all unused or scrap materials unless otherwise directed, in writing, by SHUR-KUT SUPPLY CORPORATION. Upon delivery to SHUR-KUT SUPPLY CORPORATION, the full quantity of consigned materials shall be noted on the packing slip with the condition of the materials being either conforming, non-conforming for evaluation or scrap. In all conditions, materials must be tagged.

XI. Law Governing:

This purchase order is to be governed by and construed according to the laws of the State of Pennsylvania.

XII. Delivery:

SUPPLIER must receive written approval from SHUR-KUT SUPPLY CORPORATION to ship any items more than 15 days in advance of the delivery dates set forth in this purchase order. Items received without such approval are subject to rejection and SUPPLIER will be responsible for all freight expense, or SUPPLIER invoice will be paid in accordance with the terms of the purchase order and original delivery date. On a quarterly basis, the SUPPLIER will receive their delivery performance rating. Failure to deliver per the Purchase Order delivery date on a constant basis, may lead to being disapproved as a qualified SUPPLIER.

XIII. Payments:

Terms of any payment provided for this order, and all discounts related thereto, shall be calculated from 1) the dates items are received; 2) the dates items are scheduled to be received; 3) the date an acceptable invoice is received, whichever is later.

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XIV. Termination:

SHUR-KUT SUPPLY CORPORATION reserves the right to terminate this purchase order or any part thereof, at any time at no cost to SHUR-KUT SUPPLY CORPORATION whenever: 1) the SUPPLIER does not maintain acceptable quality, timely progress, and/or delivery schedule; 2) SHUR-KUT SUPPLY CORPORATION and/or Customer or intimate customer of SHUR-KUT SUPPLY CORPORATION request the termination of this order in whole or in part. Such termination shall state the effective date of the termination, upon which SHUR-KUT SUPPLY CORPORATION and SUPPLIER will negotiate a fair compensation to the SUPPLIER for materials and/or services rendered prior to termination.

XV. Non-Waiver by SHUR-KUT SUPPLY CORPORATION:

The failure of SHUR-KUT SUPPLY CORPORATION to insist, in anyone or more instances, upon strict conformance to any of the terms and conditions, or supplemental clauses of this purchase order, will not waive or relinquish to any extent the right of SHUR-KUT SUPPLY CORPORATION to assert and enforce such terms and conditions or supplemental clauses, in whole or in part, on any future occasion.

XVI. Nondiscrimination:

The Equal Opportunity Clause Section 202, paragraphs 1 through 7 of Executive Order 11246, as amended; 38 USC 4212 of the Vietnam Era Re-adjustment Assistance Act of 1974, and Section 503 of the Rehabilitation Act of 1973 relative to equal opportunity and implementing rules of the office of Federal Contract Compliance Programs are incorporated herein by specific reference.