

Conditions of Purchase

1. Buyer hereby offers to purchase the goods ("Goods") described on the face hereof. This Purchase Order shall be accepted by the shipment of Goods by Seller. Acceptance is expressly limited to the terms and conditions of this offer ("these terms"). Any term or condition in any form of Seller which has been or at any time, may be received by Buyer and which is inconsistent with, additional to, or different from these terms is hereby expressly rejected and shall not be applicable to the sale or shipment of Goods.

2. Shipment of Goods/Risk of Loss;

(a) All goods shall be packed, marked and shipped in containers which are suitable for the Goods and are in accordance with the requirements of the carrier or as directed by Buyer. Shipment shall be made in the quantities and at the times specified by Buyer. Any Goods not shipped by Seller or received by Buyer in accordance with these terms may be rejected by Buyer without liability to Buyer. The Buyer assumes no obligation for materials shipped in excess of the quantities specified in this Purchase Order.

(b) Unless otherwise specified on the face hereof, all sales are F.O.B. Buyer's place of business and Seller shall be fully responsible for the Goods and bear all risk of loss or damage until they are delivered to the designated destination. If the sale is made F.O.B. shipping point, Seller shall be liable for any loss or damage claims which are declined by carrier when such loss or damage is caused by Seller's failure to comply with packing, loading or other similar requirements of Buyer or carrier. Seller shall bear all risk of loss of or damage to Goods after Buyer's written notice to Seller of their rejection or cancellation of this order. When freight cost is to be borne by Buyer and Buyer does not specify manner of shipment, Goods shall be shipped in a manner to secure the lowest transportation costs.

(c) Buyer, from time to time, may change shipping schedules or direct that Seller temporarily suspend any shipments.

3. Delays: Time is of the essence of this order. If delivery of Goods is not made by the scheduled delivery date, if any, provided on the face hereof, the Buyer may cancel this order and obtain the Goods elsewhere, or may accept late performance or delivery and, in either case, Seller shall be liable to Buyer for any loss or damage caused by Seller's failure to make timely performance or delivery including, without limitation, consequential and incidental damages and cost of obtaining replacement goods.

4. Inspection and Rejection of Goods:

(a) All goods shall be received by Buyer subject to Buyer's inspection and right of rejection. Goods shall not be considered accepted until, on inspection, testing or use, they are found to be in accordance with Buyer's specifications.

(b) If any Goods are found at any time to be defective in material or workmanship or otherwise not in conformity with Buyer's specifications, Buyer in addition to any other rights which it may have under warranties or otherwise, shall have the right to reject such Goods in whole or in part. Rejected Goods shall be held at Seller's risk for a reasonable time thereafter and shall be returned or disposed of at Seller's expense according to Seller's instructions. No Goods returned shall be replaced by Seller without written authorization from Buyer.

5. Warranties: In addition to all warranties which may be provided by law, Seller warrants that all Goods furnished hereunder shall (a) be free from defects in design, material, manufacture and workmanship for a period of one year, (b) conform to drawings, plans, specifications, samples or other descriptions furnished, specified, accepted, or approved by Buyer, and (c) be merchantable and fit for the particular purposes intended. Seller also warrants that it is conveying good title to Buyer, free from any liens and encumbrances and no person has any rightful claim of infringement or violation of proprietary rights with respect to the goods. Such warranties, including warranties provided by law, shall benefit Buyer, its successors, assigns, customers and employees and shall survive acceptance of the Goods.

6. Patents:

(a) Seller shall indemnify, defend, save and hold harmless Buyer, its successors, assigns and customers from and against any and all suits, actions, claims, demands, damages, costs, and expenses (including attorneys fees) arising out of any actual or claimed infringement of any United States or foreign patent or patents in the manufacture, use or sale of the Goods.

(b) If the Goods are protected by a patent or patents owned by Seller and a decree or judgement has been entered by any court holding such patent or its claims invalid, or so limited in scope as to impair its protection commercially, Buyer may cancel this order or any contract resulting from acceptance of this order.

7. Tools and Materials

(a) Buyer shall retain title to any technical information, trade secrets, samples, drawings, blueprints, patterns, dies, molds, tools, plates, cuts, gauges, items and materials furnished by or paid for by Buyer in connection with this order. Seller agrees to hold all information disclosed by Buyer in confidence and to take all reasonable precautions to maintain its confidentiality. Such tangible items shall be held at Seller's risk and if lost, damaged or destroyed shall be replaced by Seller without charge to Buyer. Such items shall be used exclusively in the production of the Goods and their use for any other purpose is prohibited unless previously approved by Buyer, in writing. Such items are subject to removal by Buyer from Seller's premises on demand without cost to Buyer.

(b) Any material furnished by Buyer to Seller in connection with this order for which no invoice is issued shall be deemed as held by Seller upon consignment for Buyer and Seller shall pay for all such materials spoiled by it or for which Seller does not otherwise satisfactorily account.

(c) In all other cases, any special technical information, drawings, blueprints, patterns, dies, molds, tools, plates, cuts and gauges necessary for the design, production or manufacture of the Goods shall be furnished by and at the expense of Seller. The cost of changes in such items caused by design or specification changes of Buyer shall be at Buyer's expense. Such items shall be maintained by Seller and held at Seller's risk and shall be repaired or replaced by Seller when necessary without expense to Buyer. However, Buyer shall have the option to purchase and take possession of such special items upon payment to Seller of the unamortized cost thereof.

8. Installation service: Unless otherwise specified on the face hereof, Seller, at no extra cost to Buyer, shall install any Goods at the location designated by Buyer and shall make any adjustments which are necessary or appropriate to cause any such Goods to operate properly as installed. Seller shall promptly fill Buyer's orders for spare and replacement parts or assemblies throughout the useful life of the Goods, as determined by Buyer.

9. Indemnity: Seller shall defend, indemnify and save harmless Buyer, its successors and assigns from and against any and all liability, loss, damage, cost or expense, for any alleged or actual personal injury (including death) or property damage arising out of or in connection with Seller's furnishing of Goods.

Seller shall protect, defend, hold harmless, and indemnify Buyer and its directors, officers, agents, and employees from and against any and all claims, actions, liabilities, losses and expenses relating to any and all damages (including without limitation, injury to or death of persons and damage to property) alleged or actually suffered by any person or persons or property and allegedly or actually arising out of or incidental to the improper design, selection or use of goods or parts and/or negligence in the manufacture or installation of goods or parts and to pay all costs, damages, judgements or expenses arising out of such litigation. This indemnity, and all other agreements of indemnity herein shall survive the acceptance of goods.

10. Insurance: Seller shall procure and maintain in full force and effect, at its expense, products liability, completed operations and other insurance which is customary for similar sellers in the industry.

11. Termination, Modification or Cancellation:

(a) Buyer reserves the right to cancel this Purchase Order or any contract formed by the acceptance of this Purchase Order if (i) Seller fails to make deliveries of Goods on or before the date specified on the face hereof or if no date is specified then within a reasonable time period or (ii) Seller breaches any terms hereof.

(b) In the event of any proceedings by or against Seller, voluntary or involuntary, in bankruptcy or insolvency, or for the appointment of a receiver or trustee, or an assignment for the benefit of creditors, or if Seller is unable to pay its debts in the regular course of business or its net liabilities exceeds its net assets, Buyer may cancel this order without liability of any kind to Seller.

12. Taxes: Pursuant to State Law, the City of Springfield is exempt of Sales Tax on any items it buys directly from a vendor.

13. Prices: The prices set forth on the face hereof are firm.

14. Technical Information: Seller agrees not to assert any claim (other than a claim for patent infringement) with respect to any technical information which Seller shall have disclosed or may hereafter disclose to Buyer in connection with Goods.

15. Remedies: The remedies of Buyer provided for herein shall be cumulative and additional to any other or further remedies provided in law or equity, including remedies for incidental or consequential damages. No remedy hereunder shall be deemed waived unless such waiver is made in writing and signed by Buyer. Waiver by either party of any default by the other shall not be deemed a waiver of any other or future default.

16. Governmental Regulations: Seller warrants that all Goods shall comply with all applicable federal, state and local law, orders and regulations, including, without limitation, the Fair Labor Standards Act of 1938, as amended; the Consumer Product Safety Act, the Occupational Safety and Health Act, and Illinois Department of Labor Safety Regulations. The terms of Section 202 of Executive order 11246, as amended, replaced or superseded from time to time, are expressly made a part hereof by reference to the same as if they were repeated at length herein, and all references therein to "contractor" shall be deemed to refer to and bind Seller. Seller warrants that the prices for Goods covered hereby do not involve any discrimination within the provision of the Robinson-Patman Act, or any similar legislation. Seller shall supply Buyer from time to time with such certificates, in such form, as may be required by any applicable law, order or regulation, as Buyer may deem necessary or appropriate to establish Seller's compliance with any applicable law, order or regulation.

17. Severability: In the event any provision or terms of this order for the contract arising therefrom shall be declared invalid or non-enforceable by a court of competent jurisdiction, all other provisions and terms shall remain valid and binding.

18. Applicable Law: The rights and obligations of the parties hereto shall be determined by the laws of the State of Illinois and this order and the contract arising therefrom shall be deemed to be made and performed in Illinois.

19. Limitation on Action: Any action or suit by Buyer arising in any way from this order or the contract formed by acceptance of this order may be commenced at anytime within four (4) years from the date on which the cause of action accrues which is the basis of any action or suit.

20. Whole Agreement: All previous oral and written communications of the parties for the sale of goods or services are rescinded and/or contained in this Purchase Order. The terms and conditions cannot be modified, amended or altered except by a written statement signed by a duly authorized officer of Buyer.