

Changes. By written order buyer may at any time and time and from time to time, order (i) work suspension or make changes in quantities, drawings, designs, specifications, specifications, place and time of delivery or delivery schedules, and methods of shipment or packaging, or (ii) that seller provide to buyer within a reasonable time not to exceed fifteen (15) days. A written report stating the impact, if any, on the price or delivery schedule of any proposed change. If any such change ordered causes an increase or decrease in the cost of or the time required for the performance of this contract, an equitable adjustment shall be made in the price or delivery schedule, or both. Any claim for adjustment under this clause shall be waived unless received in writing within 30 days from the date the change is ordered, but nothing provided herein shall excuse seller from proceeding without delay with the performance of the contract as so changed in the event of any improvements by the seller to the design standards operations, properties, capabilities, capabilities or manufacture of goods covered by this order. Seller agrees to notify buyer in writing promptly of such improvements and to make available such improvements to buyer at seller's cost for including any improvements in goods purchased hereunder.

Compliance with laws. In accepting this order seller represents that it has complied with and will continue during the performance of this order to comply with provisions of all federal, state and local laws and regulations which if violated may lead to liability of buyer, including but not limited to all health, OSHA safety products liability, labor, and/or other laws and regulations of any federal, state or local authority applicable at the time of delivery. By acceptance hereof, seller certifies that the items covered by this contract are produced, manufactures and delivered in compliance with all applicable requirements of the fair labor standards act, including sections 6, 7 and 12 thereof, and the regulations and orders of the U.S. Department of Labor issued thereunder.

Deliveries and over shipments risk of loss. Time is of the essence under this contract, and buyer reserves the right to cancel all or any part of this contract if delivery or performance is not made on the date or dates specified on the face hereof, unless agreed in writing by buyer, seller shall not produce or purchase materials or make material commitments or productions arrangements in excess of the amount or in advance of the time necessary to meet the delivery or performance dates specified herein. Over shipments are subject to rejection and return at seller's expense. The risk of loss on all goods shall remain on seller until actual inspection of the goods by buyer and acceptance of the goods by buyer at the destination specified by buyer at the destination specified by buyer on the face hereof regardless of F.O.B point. All shipments shall be made with satisfactory carrier(s) and in the least expensive manner and at the lowest applicable insurance charges. If shipments are made by express to meet delivery dates, seller shall pay any additional shipping charges incurred thereby. All parcel post shipments shall be insured at minimum valuation unless otherwise stated on the face hereof, goods shipped C.O.D without buyer's prior written consent will not be accepted. Unless otherwise shown on the face hereof, all packaging, loading and transportation arrangements are the responsibility of seller.

Warranty. Seller warrants the goods and services covered by this agreement will be of merchantable quality and free from defects in workmanship and material and will conform with the specifications, drawings, samples, or other description attached hereto or referred to on the face hereof, if any, seller warrants that all goods and services covered by this agreement will be fit for such particular services and

uses, if any, as we are specified by buyer. All warranties contained herein shall survive inspection, test and acceptance by buyer, seller shall, at its own cost and expense, defend and hold buyer harmless from and against any and all claims made against buyer based upon, relating to or rising out of any claimed defect in the goods or services ordered hereunder.

Cancellation for Nonconformity. Any nonconformity in any lot or installment delivered hereunder shall constitute grounds for rejections by buyer of such lot or installment. In addition buyer may cancel the entire contract for any nonconformity in any lot or installment delivered hereunder and/or for any breach of the foregoing warranties.

Equal Opportunity Employer. In connection with its performance under this contract, seller will not discriminate against any employee or application for employment because of race, color, religion, sex or natural origin. Seller will take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex or natural origin. Seller agrees to comply with the applicable provisions of executive order No. 11246, as amended, relating to equal opportunity and of buyer's rider "Equal opportunity provision" each of which by this reference are incorporated herein and made a part hereof for purposes of this paragraph, the word "seller" shall be deemed to mean "contractor" as that word is used in said executive order No. 11246, as amended. Where applicable seller agrees to comply with ASPR clause 7-103.27 that listing of employment openings will apply when appropriate.

Patents. Seller shall at its own cost and expense defend and hold buyer harmless from and against any suit, action or proceedings brought against buyer or the user of any of buyer's products based on a claim that the goods or services, or any part hereof, furnished hereunder, or the normal use thereof, infringes any United States or Foreign letters patent or patent application.

Price, Terms and Taxes. (A) Time for payment shall not commence until and discounts on invoices shall be calculated from the date a proper invoice is received by buyer or the date the goods are received by or the services rendered to buyer, whichever occurs later. Except as otherwise provided on the face hereof, the contract price includes all costs and charges to be incurred by buyer, including, without limitation, all applicable federal, state and local taxes and duties and all charges for packing, loading and transportation. Transportation charges and federal, state and local taxes and duties when applicable and when agreed on the face hereof to be borne by buyer, shall be billed as separate items on seller's invoices and all tax exemption certificates shall be accepted by seller. (B) Seller represents that the price charged for the goods and services covered by this contract is the lowest price charged by seller to other customers in substantially similar transactions. Seller agrees that any price reduction made in the goods and services covered by this contract subsequent to the placement of this order will be applicable to this contract. If any price omitted on the face hereof, the goods and services ordered hereunder shall be furnished either at the price last quoted to or paid by buyer, or at the prevailing market price, whichever is lower. Seller represents that it is in compliance, and will continue to comply, with any applicable executive orders and price commission regulations and that, if the price of the goods and services covered by this agreement exceeds the maximum allowable under such orders and regulations, seller

will decrease the price of such goods or services to the maximum allowable thereunder, whether or not all or any part of such price has been paid.

Property Furnished to Seller. All dies, molds, patterns, jigs, fixtures, tools and any other property furnished to seller or buyer, or paid for by buyer for use in the performance of this contract, shall be the property of buyer, shall be subject to removal pursuant to buyers instructions, shall be used only in the performance of contracts with buyer, shall be held at seller's risk, and shall be insured by seller at its expense while in its custody or control against loss in an amount equal to the replacement cost thereof, with insurance payable to buyer, at buyer's request.

Delays and Excuse. No failure, delay or default by seller shall be excused under this contract unless and to the extent that such failure, delay or default is caused solely by a natural disaster, flood, fire, explosion or other comparable calamity or by war, civil disorder, embargo, government order or expropriation; provided that the events specified shall not constitute an excuse unless seller shall have given prompt written notice to buyer of the facts giving rise to such cause.

General Provisions. (A) This contract may not be assigned or otherwise transferred by seller, voluntarily or by operation of law, without the prior written consent of buyer, and any such assignment or transfer without such prior written consent shall be null and void and of no force or effect whatsoever;

(B) This contract shall be construed in accordance with and all disputes hereunder shall be governed by the laws of the State of California;

(C) Paragraph headings in his contract are in no way intended to alter or affect the meaning of this contract.

(D) The invalidity, in whole or in part, of any provision of this contract shall not affect the validity or enforceability of any other of its provisions.

(E) This contract and the attachments and documents incorporated herein or referred to on the face here of constitute the entire agreement and understanding between the parties hereto. No change in, modification of or additions to the terms and conditions contained herein shall be binding upon buyer unless set forth in a writing which is signed by an authorized representative of buyer.

(F) Buyers failure to insist, in one or more instances, upon the performance of any term or terms of this contract shall not constitute a waiver or relinquishment of buyer's right to such performance of the future performance of such term or terms, and seller's obligation with respect thereto shall continue in full force and effect.