

TERMS OF CONDITIONS OF PURCHASE (R1089)

1. Applicability. The following Terms and Conditions shall apply to purchases of all products or services (collectively, "Goods") by Republic Manufacturing ("Buyer") from the party identified on the face of this Purchase Order (this "Order") ("Supplier"). Buyer and Supplier may be referred to collectively as the "Parties" and as "Party" individually.

2. Acceptance of Order. This Order together with any specifications, drawings, and descriptions appearing on and/or referred to on the face hereof becomes the exclusive agreement between the Parties subject to the terms and conditions herein. Any of the following shall constitute Supplier's acceptance of this Order: (a) acknowledgment of this Order, (b) furnishing of any Goods under this Order, (c) acceptance of any payment under this Order, or (d) commencement of performance under this Order. Additional or differing terms or conditions proposed by Supplier or included in Supplier's acknowledgment hereof are hereby rejected and shall not be considered a part of this Order or be binding upon Buyer.

3. Receipt of the Purchase Order. Acknowledge receipt of the purchase order upon completion and acceptance of contract review, advise of any changes to price, dock date, part number(s), specification(s), revision(s), or description(s), and respond by e-mail to the appropriate contact.

4. Packing and Shipment. Unless otherwise specified, all packing, and packaging shall comply with good commercial practice and applicable carriers' tariffs. The price includes all charges for packing and packaging. The packaging, labeling, and shipping of all HAZARDOUS SUBSTANCES, including DANGEROUS MATERIALS, must conform to all applicable international, federal, state, and local laws and regulations. Unless otherwise specified on the face of this Order, Shipping Terms are Ex Works Seller's shipping point.

5. Delivery and Procurement. Time is of the Essence. Delivery according to schedule is a material condition of this Order. Acceptance of late deliveries by Buyer does not relieve Supplier of any liability it may have with respect to such late deliveries. In the event Supplier fails to make scheduled deliveries, Buyer may procure comparable Goods elsewhere and Supplier shall, in addition to paying to Supplier any other damages sustained by Buyer by reason of such failure, reimburse Buyer for any additional costs incurred in procuring comparable Goods. Delivered quantities must conform to the Order.

6. Warranty. Supplier warrants that all Goods furnished pursuant to this Order will be free from defects in material and workmanship, conform to applicable specifications, drawings, samples, and descriptions, or other requirements of this Order, and unless of Buyer's sole design and built to the designated specifications of Buyer, be free from design defects. If there is a breach of warranty, and without limiting any other rights Buyer may have, Buyer, at its option, may require Supplier (a) to repair or replace at Supplier's expense any Goods or items thereof, which fail to meet the requirements of applicable design, specifications, and drawings; or (b) to refund the price of any such item. If Supplier fails to correct or replace defects promptly, Buyer may, after reasonable notice to Supplier, make such corrections or effect cover at Supplier's expense. In addition, with respect to any Goods which Buyer has incorporated into another product, such as an assembly or subassembly, Supplier shall reimburse Buyer for the actual costs of labor and material plus a reasonable allocation for overhead to remove such goods from the incorporated product and to replace the Goods back into such product. The rights and remedies of Buyer provided in this Section are in addition to and do not limit any other rights afforded Buyer by any other Section herein or otherwise. All warranties shall run to Buyer and its customers.

7. Changes. Buyer may at any time make changes within the general scope of this Order in any one or more of the following: (a) drawings, designs, or specifications; (b) method of shipping or packing; (c) place of inspection, acceptance, or place of delivery; (d) time of delivery; and (e) quantities. Should any such change increase or decrease the cost of, or the time required for, performance of this Order, an equitable adjustment may be requested by Supplier or Buyer in the price, delivery schedule or both. No request by Supplier for such adjustment will be valid unless submitted to Buyer

within thirty (30) days from date of Buyer's notification of Supplier of such change. The request for adjustment should include Supplier's entire claim.

8. Assignment. Neither this Order nor any duty or right under it shall be subcontracted, moved to a different facility, delegated, or assigned by Supplier without the prior written consent of Buyer.

9. Termination for Cause. Buyer may terminate this Order, in whole or in part, by written notice to Seller in the event that: (a) Supplier fails to make deliveries at the time or in the quantities specified, (b) in the event of any material breach hereof by Supplier not cured within ten (10) of the date of the notice of termination, (c) in the event of the institution of any proceedings in bankruptcy or insolvency by or against Supplier, or any parent, subsidiary or affiliate of Supplier, or (d) in the event of the appointment of a receiver or trustee for Supplier or any parent, subsidiary or affiliate of Supplier or any assignment for the benefit of creditors by Supplier or any parent, subsidiary or affiliate of Supplier.

10. Patent Indemnity, Trademarks, Trade secrets and Copyrights. Unless of Buyer's design, Supplier guarantees that the sale and use of Goods will not infringe any United States or foreign patents, trademarks, trade secrets, copyrights or other property rights ("Intellectual Property Rights"). Supplier shall defend, indemnify and hold Buyer and its customers harmless from any loss, cost, damage, expense (including attorney's fees), or liability which may be incurred on account of infringement or alleged infringement of any Intellectual Property Rights with respect to such Goods and defend, at its own expense, any action or claim in which such infringement is alleged. Should Buyer be prevented from using the Goods because of their infringement of Intellectual Property Rights, Seller shall procure for Buyer the right to continue use of such Goods or replace or modify the same with equivalent no infringing Goods that meet the specifications of the Goods it is replacing.

11. Use of Buyer's Intellectual Property. Supplier shall not reproduce, use, or disclose any data, designs or other information belonging to or supplied by or on behalf of Buyer ("Buyer's Intellectual Property"), or developed as a result of the performance of this Order, except as necessary in the performance of orders for Buyer. Supplier agrees that all title to and all other rights and legal interests (including copyright) in all data, analyses, graphs, reports, physical property, or other subject matter prepared, procured, or produced in the performance of this Order or based upon Buyer's Intellectual Property shall vest in Buyer.

12. Nondisclosure of Information. Supplier shall not, without prior written consent of Buyer, disclose any information relative to this Order including without limitation specifications, documents, or other nonpublic information. Upon request of Buyer, Supplier will return or destroy all such information.

13. Resources and Competence. Have the resources, competence, expertise, knowledge, and ability necessary to supply the services and products in accordance with the purchase order, as well as ensure only qualified personnel work on the provision of the products and services, applying best practice methods and procedures currently employed in the industry.

14. Non-conforming product. Immediately notify Republic Manufacturing when non-conforming product is detected before or after delivery. The notification shall include the non-conformance and the affected purchase order(s). Non-conforming material shall not be delivered without prior written permission from Republic Manufacturing. The supplier is not granted material review authority.

15. Debit. Agree to accept Republic Manufacturing's debit from any amount due and owed by the supplier in any amount, or compensation which Republic Manufacturing, in good faith, believes are due and owed by the supplier to Republic Manufacturing. Before doing so, Republic Manufacturing's management will, in good faith, discuss and attempt to resolve any issue relating to the set-off, with the Supplier.

16. Compliance with Law. In the performance of this Order, Supplier agrees to comply with all applicable local, state and federal laws and executive orders and regulations issued pursuant thereto. Supplier further agrees to indemnify Buyer against any loss, cost, damage, or liability by reason of Supplier's violation of this Section.

17. Payment. Payment terms are net 60 days. The time for payment of Supplier's invoices shall commence upon the date of actual receipt of product in complete accordance with the requirements of this Order or the date of acceptance of goods, whichever is later.

18. Taxes. Buyer will not be liable for taxes with respect to an Order, except for sales or use taxes imposed by a governmental authority which Supplier is required by law to collect.

19. LIMITATION OF LIABILITY. IN NO EVENT WILL BUYER BE LIABLE TO SUPPLIER OR ANY THIRD PARTY, IN CONTRACT, TORT OR OTHERWISE, FOR ANY LOSS OF PROFITS OR BUSINESS, OR ANY SPECIAL, INCIDENTAL, INDIRECT, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES, ARISING FROM OR AS A RESULT OF THESE TERMS, ANY ORDER OR ANY AGREEMENT BETWEEN THE PARTIES RELATING TO THE GOODS, EVEN IF BUYER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

20. Governing Law. The validity, interpretation, and performance of this Order shall be governed by and construed in accordance with the laws of the state of Texas, excluding its conflicts of laws rules, and in accordance with applicable federal laws and regulations.

21. Jurisdiction and Venue. Where federal jurisdiction exists over any action, suit, or proceeding for equitable relief arising out of or in any way connected with this Agreement or to enforce the arbitration decision, the parties designate Texas Eastern District Court for the exclusive resolution of the dispute and submit to the jurisdiction of that court. Where federal jurisdiction does not exist over that action, suit, or proceeding, the parties designate Dallas County, Texas, for the exclusive resolution of the dispute and submit to the jurisdiction of that court.