

ADALET/MERIAM/SCOTT FETZER COMPANY PURCHASE ORDER TERMS AND CONDITIONS.

1. Acceptance of Contract. Adalet/Meriam/Scott Fetzer Company ("Buyer") shall not be bound by this order until seller ("Seller") executes and returns to Buyer the acknowledgment copy of this order. This order expressly limits acceptance to the terms and conditions stated herein and any additional or different terms proposed by Seller, whether prior or subsequent to this order, are rejected unless expressly agreed to in writing by Buyer. No contract shall exist except as provided herein.

2. Amendments. The parties agree that this order, including the terms and conditions on the face and reverse side together with any documents attached or incorporated by reference, contains the complete and final contract between Buyer and Seller and, that no agreement or understanding to modify this contract shall be binding upon Buyer unless in writing and signed by Buyer's authorized representatives. All specifications, drawings, and data submitted to Seller with this order or referred to by this order are incorporated and made a part of this contract.

3. Taxes. Except as may be otherwise provided in this order, the contract price includes all applicable federal, state, and local taxes in effect on the date of this order. In case of new taxes or increased rates or repeal of taxes or the reduction of rates, the contract order price shall be adjusted accordingly by Buyer in writing before Seller proceeds with such change. Price increases shall not be binding on Buyer unless evidenced by a purchase order change notice or revision issued and signed by Buyer.

4. Delivery. Time is of the essence and if delivery of goods is not made in the quantities or at the time specified, or rendering of services is not completed at the time specified, Buyer reserves the right, without liability and in addition to its other rights and remedies, to take either or both of the following actions: (a) direct expedited routing at Seller's expense; (b) terminate this contract as to goods not yet shipped or services not yet rendered, and to purchase substitute goods or services elsewhere and charge Seller with any loss or incremental expense incurred.

Seller shall be liable for excess transportation charges, delays or claims resulting from Seller's deviation from Buyer's routing instructions. Neither party shall be liable for excess costs of deliveries or defaults due to causes beyond its control and without its fault or negligence, provided, however, that when Seller has reason to believe that deliveries will not be made as scheduled, written notice setting forth the cause of the anticipated delay must be given immediately to Buyer. If Seller's delay or default is caused by the delay or default of a subcontractor, such delay or default shall be excusable only if it arose out of causes beyond the control of both Seller and subcontractor and without the fault or negligence of either of them and the goods to be furnished or services to be rendered were not obtainable from other sources in sufficient time to permit Seller to meet the required delivery or performance schedule.

Buyer will have no liability for payment for goods delivered to Buyer which are in excess of quantities specified in this contract and delivery schedules, or which are delivered in advance of Buyer's delivery schedule, or for all transportation charges therefore. Buyer will not be liable for any material or production cost incurred in excess of the amount or in advance of the time necessary to meet Buyer's delivery schedules.

5. Inspection and Acceptance. Payment for any goods under this contract shall not constitute acceptance thereof. All goods purchased hereunder are subject to inspection at Buyer's destination, and Buyer reserves the right to reject and refuse acceptance of goods, or to return goods already accepted, which are not in accordance with this contract or with Seller's warranties (express or implied). Goods not accepted will be returned to Seller for full credit or replacement at Buyer's option and at Seller's risk and expense, including transportation charges both ways. No replacement of rejected goods shall be made unless specified by Buyer in writing.

Acceptance of any part of the goods shall not bind Buyer to accept, nor constitute a waiver of, Buyer's right to cancel or return future shipments, nor deprive it of the right to make any claim for damages, including incidental or consequential loss or damage incurred by Buyer. Such rights shall be in addition to any other remedies provided by law.

6. Freight Charges, Packing, Drayage and Containers. Unless otherwise expressly stated on the face of this purchase order, all goods shall be delivered F.O.B. destination. No charges for packing, drayage, or containers will be allowed unless specified on the face of this order. Seller shall be liable for damage caused by improper boxing, crating, or packing.

7. Title/Risk of Loss. Title and risk of loss shall not pass to Buyer until delivery of the goods to destination in accordance with the provisions of this purchase order. Buyer shall not be responsible for any damage to goods occurring during shipment, and no such damage shall relieve Seller of any obligation to Buyer.

8. Seller's Warranties. Seller hereby warrants that the whole of the goods furnished hereunder shall be free of defects in material and workmanship, of merchantable quality, fit for Buyer's purposes, and that they shall conform with Buyer's instructions, specifications, drawings and data. Seller hereby further warrants that the whole of the goods furnished hereunder shall conform to all representations, affirmations, promises, descriptions, samples or models forming the basis of this contract. These warranties shall run to Buyer, its successors, assigns and customers and the users of its products. Said warranties shall be in addition to any warranties of additional scope given by Seller to Buyer. **NONE OF SAID WARRANTIES AND NO OTHER IMPLIED OR EXPRESS WARRANTIES SHALL BE DEEMED DISCLAIMED OR EXCLUDED UNLESS EVIDENCED BY A PURCHASE ORDER CHANGE NOTICE OR A REVISION ISSUED AND SIGNED BY BUYER.** Seller agrees to replace or correct defects in any goods or services not conforming to the foregoing warranties promptly, without expense to Buyer, when notified of such non-conformity by Buyer. In the event of failure by Seller to correct defects in or replace non-conforming goods or services promptly, Buyer, after reasonable notice to Seller, may make such corrections or replace such goods and services and charge Seller for the costs incurred by Buyer thereby. Inspection, test acceptance or use of the goods furnished hereunder shall not affect Seller's obligation under these warranties and such warranties shall survive inspection, test, acceptance and use of the goods.

9. Property of Buyer. Unless otherwise provided in this order or agreed to in writing, property of every description including but not limited to all tooling, tools, equipment and material furnished or made available to Seller, title to which is in Buyer, and any replacement thereof, shall be and remain the property of Buyer. Seller shall not use such property except for performance of work hereunder or as authorized in writing by Buyer. Such property while in Seller's possession or control shall be kept in good condition, shall be held at Seller's risk, and shall be kept insured by Seller, at its expense, in an amount equal to the replacement cost with loss payable to Buyer. As and when directed by Buyer, Seller shall disclose the location of such property and or prepare it for shipment and ship it to Buyer in as good condition as originally received by Seller, reasonable wear and tear excepted.

10. Special Tooling. The term "special tooling" as used in this clause shall be deemed to include all jigs, dies, fixtures, molds, patterns, special cutting tools, special gauge, special test equipment, other special equipment and manufacturing aids and drawings and any replacement of the foregoing, acquired or manufactured or used in the performance of this order, which are of such a specialized nature that, without substantial modification or alteration, their use is limited to the production of the supplies or parts thereof or performance of the services of the type required by this order. The term does not include (a) items of tooling or equipment heretofore acquired by Seller, or replacement thereof, whether or not altered or adopted for use in the performance of this order; (b) consumable small tools, (c) general or special machine tools or similar capital items; or (d) tooling, title to which is in Buyer.

Seller agrees that special tooling shall be retained and not used or reworked except for performance of work hereunder or as authorized in writing by Buyer. While in Seller's possession or control, Seller warrants that it will keep the special tooling in good condition, fully covered by insurance and will replace it when lost, destroyed or necessary for performance of work hereunder. Upon cessation or termination of the work under this order for which the special tooling is required, Seller shall furnish Buyer a list of the products, parts or services for the manufacture or performance of which such special tooling was used or designed and a list indicating where each item of the special tooling is located and shall transfer title to and possession of the special tooling to Buyer for an amount equal to the unamortized cost thereof, or dispose thereof as Buyer may direct in writing. In addition, Buyer shall have the right to take possession of, including the right of entry for such purpose, any special tooling, title to which Buyer acquires hereunder, without any additional liability whatsoever to Seller.

11. Proprietary Rights. All technical information whatsoever supplied to Seller by Buyer in respect to this contract shall be considered and kept confidential by Seller, and neither Seller nor any employee, agent or representative shall disclose any such information directly or indirectly to any other person whatsoever. Additionally, Seller agrees to assign to Buyer and to not otherwise make use of any invention, improvement or discovery (whether or not patentable), conceived or reduced to practice in the performance of this contract by any employee, representative or agent of Seller, or other person working under Seller's direction. Upon completion of this contract, Seller shall deliver to Buyer any and all information relating to any such invention, improvement or discovery, and shall cause employees, agent or others under Seller's direction to execute all documents necessary or desirable to enable Buyer to obtain title and to file applications for patent therefore throughout the world.

12. Indemnification. Seller agrees to indemnify, defend and save Buyer harmless from and against all damages, liabilities, claims, losses and expenses, including reasonable attorney's fees, arising out of Seller's acts or omissions or breach of any terms or conditions herein or due to any damage, liability, claim, loss or expense, including consequential damages, arising out of any defect or alleged defect in the goods or services, or based on any allegation that the merchandise or its components are not fit or safe for consumer use, or due to the actual or alleged negligence, act or omission by Seller or any of its employees or agents.

Seller agrees that this indemnification shall survive acceptance of the goods or services and payment therefor by Buyer, and shall be binding upon Seller, its successors and assigns, and shall inure to the benefit of Buyer, its successors and assigns and its officers, directors, agents and employees.

13. Insurance. If this contract covers the performance of labor for Buyer, Seller agrees to furnish evidence satisfactory to Buyer that all liens have been released by all persons who have performed services or furnished materials under this contract. Seller further agrees, at its sole cost and expense, to maintain for the mutual benefit of Buyer and Seller such public liability insurance (including products liability, completed operations, contractor's liability and protective liability), automobile liability insurance (including non-owned automobile liability) and worker's compensation and employer's liability insurance as will adequately protect Buyer against the damages, liabilities, claims, losses and expense (including attorney's fees) referred to in Section 12.

All policies of insurance shall provide that the proceeds shall be payable to Buyer and Seller as their respective interest may appear. All policies of insurance shall further provide that they shall not be cancelable on less than thirty (30) days notice to all insured. Seller shall furnish Buyer with certificates, satisfactory to Buyer, evidencing such insurance policies and naming Buyer as an additional insured. If Seller is self-insured, the certificate of the applicable state department of labor and industry must be furnished by such department directly to Buyer. Compliance by Seller with the insurance requirements does not in any way affect Seller's indemnification of Buyer under Section 12.

14. Patents. Seller agrees, at its own expense, to defend any suit, action, claims or allegations against Buyer or against those selling or using the goods or services covered by this order for alleged infringement of patent or invention rights or misappropriation of intellectual property arising from the sale or use of such goods or services and agrees to indemnify, defend and hold Buyer harmless from any damages, liabilities, claims, losses and expenses (including attorney's fees) paid or incurred by Buyer in connection with any such suit, claim or action, whether against Buyer or against those selling or using the goods or services covered by this order; provided, however, that this indemnity shall not apply to any such damages, liabilities, claims, losses or expenses arising out of full compliance by Seller with specifications furnished by Buyer.

15. Cancellation. Buyer shall have the right to cancel for default all or any part of the undelivered portion of this contract if Seller does not make deliveries as specified in the delivery schedule, or if Seller breaches any of the terms hereof including warranties of Seller. If it is determined, however, that Seller's failure to perform this contract is due to unforeseeable causes beyond the control and without the fault or negligence of Seller, such cancellation shall be deemed to have been made pursuant to Section 16 hereof, provided that such causes shall include delays of subcontractors only to the extent such causes are beyond the control of both Seller and subcontractor and without the fault or negligence of either of them, and the goods to be furnished were not obtainable from other sources in sufficient time to permit Seller to meet the required delivery schedule. Such right of cancellation is in addition to and not in lieu of any other remedies which Buyer may have in law or equity.

16. Termination. Buyer may at any time terminate this order in whole or in part for its convenience upon written notice to Seller in which event Seller shall be entitled to reasonable termination charges consisting of a percentage of the order price reflecting the percentage of the work performed prior to termination plus actual direct provable costs resulting from termination. In no event shall Buyer be liable for any special, consequential, speculative or punitive damages.

17. Compliance with Laws. Seller warrants that all goods or services furnished hereunder will comply with all applicable federal and state laws (and with the regulations, orders and standards thereunder).

18. Waiver. The failure of Buyer to insist, in any one or more instances, upon the performance of any of the terms, covenants or conditions of this contract or to exercise any right hereunder, shall not be construed as a waiver or relinquishment of the future performance of any such term, covenant or condition or the future exercise of such right, but the obligation of Seller with respect to such future performance shall continue in full force and effect.

19. Assignment. None of the sums due or to become due nor any of the work to be performed under this contract shall be assigned, nor shall Seller subcontract for completed or substantially completed material called for by this contract without Buyer's prior written consent.

20. Controlling Law. The provisions of this purchase order and any contact between the parties shall be interpreted and construed in accordance with the laws of the State of Ohio.

21. Entire Agreement. These terms and conditions, and any purchase order provided to Seller by Buyer, constitutes the entire understanding between the parties with respect to the subject matter herein and may only be modified in a writing signed by a representative of each party.