

TERMS AND CONDITIONS

1. DEFINITIONS

The term Purchase as used herein shall mean the Dearborn Electronics. The term Seller as used herein also includes sub contractors, independent contractors, lessors, and all other classes of persons performing any type of work or service under this Purchase Order. The word items as used herein shall mean anything being purchased or leased hereunder including services and personal property.

2. ACCEPTANCE OF PURCHASE ORDER

The Purchase Order constitutes Purchaser's offer to Seller and becomes a binding contract on the terms and conditions set forth herein when accepted by Seller either by acknowledgment or commencement of performance hereof. None of the terms and conditions contained herein may be added to, modified, superseded, or otherwise altered unless in writing and signed by an authorized representative of Purchaser. No condition stated by Seller in accepting or acknowledging this order shall be binding upon Purchaser if in conflict with, inconsistent with, or in addition to the terms and conditions contained herein. Purchaser hereby objects to said terms and conditions and notifies Seller that they are rejected.

3. WARRANTIES

Seller warrants that goods, services and leased property described herein to be merchantable and free from defects in workmanship and materials and shall strictly conform to applicable specifications, drawings, and approved samples, if any, including performance specifications, shall be suitable for the intended purpose, and, if of Seller's design will be free from design defects. These warranties shall be in addition to any other warranties, express, implied or statutory. All warranties shall survive inspection, acceptance, and final payment by Purchaser. All warranties shall run to Purchaser. Its customers and subsequent purchasers or owners of the goods or end products of which they are a part. Seller agrees, at its expense, to defend or assist in the defense of any action in any court against Purchaser, its customers and subsequent owners, or at Purchaser's option, insofar as such action is based upon alleged facts which amount to a breach at the foregoing warranties. Seller agrees to indemnify Purchaser and such customers or subsequent owners for all liability, loss, cost and expenses, including costs of tests performed by Purchaser in determining whether a breach has occurred, any and all costs of assembly and disassembly incurred as a result of the breach and reasonable attorney's fees and cost of litigation, resulting from any breach of said warranties, express or implied. Notice of breach shall be deemed sufficient if given within ninety (90) days after discovery thereof by Purchaser. All warranties shall be construed as conditions as well as warranties and shall not be deemed to be exclusive.

4. TERMINATION

(a) WITHOUT CAUSE Purchaser may terminate the work or lease to be performed hereunder in whole or in part at any time by written notice to Seller. Such notice shall state the extent and effective date of such termination and upon the receipt thereof Seller will comply with the directions pertaining to work stoppage hereunder and the placement of further orders or subcontracts hereunder. The parties shall thereupon agree by negotiation within twenty (20) days upon the amount of reimbursement, if any, to be paid to Seller for such termination.

(b) WITH CAUSE If Seller fails to make any delivery in accordance with the agreed delivery date or schedule or otherwise fails to observe or comply with any of the other instruction, terms, conditions or warranties, acceptable to this Purchase Order or fails to make progress so as to endanger performance of this Purchase Order or in the event of any proceeding by or against Seller in bankruptcy or insolvency or appointment of a receiver or trustees or any assignment for the benefit of creditors. Purchaser may at its option and in addition to any other right or remedy provided by this Purchase Order or by law, including incidental special or consequential damages, terminate all or any part of this Purchase Order by telegraphic or other written notice to Seller without any liability by Purchaser to seller on account thereof. Purchaser may require a financial statement form Seller at any time during the term of this Purchase Order for the purpose of determining Seller's financial responsibility. In the event of termination for cause Purchaser may produce or purchase or otherwise acquire supplies, services, or leased property elsewhere on such terms or in such manner as Purchaser may deem appropriate and Seller shall be liable to Purchaser for any excess cost or other expense incurred by Purchaser.

5. DAMAGES

Seller agrees to pay, reimburse and indemnify Purchaser and any customers of Purchaser or subsequent owners for all liability, loss, cost and expenses including consequential, incidental, and special damages, including reasonable attorney's fees and costs of litigation in the event of any breach of warranty herein or in the event of any default in any term herein.

6. INDEMNIFICATION & INSURANCE

If Seller's work or the lease under this order involves operation by there Seller, its agents, employees or subcontractors on the Purchaser's premises. Seller shall take all necessary precautions to prevent the occurrence of any damage to persons or property during the progress of such work or lease and shall indemnify and hold Purchaser harmless from and against any suits, liabilities, losses, damages, claims, causes of action and expense (including attorney's fees) arising out of or connected with any act or omission of Seller, its agents, employees or subcontractors or any such damage, loss or injury is caused in whole or in part directly to the negligence of the Purchaser and Seller shall maintain, in amounts deemed acceptable to Purchaser at Purchaser's sole discretion, such Public Liability, Property damage and Employee Liability and Compensation Insurance as will protect Purchaser from said risks from any claims under any applicable Worker's Compensation and Occupational Disease Acts. Upon request of Purchaser, Seller shall furnish Purchaser certificates of such insurance providing that at least ten (10) days prior to notice in writing shall be given to Purchaser of cancellation or reduction of coverage.

7. PRICE

The price for each item covered by this Purchase Order shall be the price shown for such item in the Purchase Order. Seller warrants that the prices charged for each item covered by this Purchase Order are the lowest prices, net discounts charged by Seller and on terms no less favorable than accorded by Seller to its other customers purchasing in quantities and under circumstances comparable to those stated herein. Seller shall not make any price reduction or discount in the event of a price reduction or discount on any other order. Seller agrees that any price reduction applicable to any product covered by this Purchase Order subsequent to its placement will be automatically applicable hereto.

8. PACKING AND SHIPPING

No charges will be allowed for boxing, wrapping or cartage or storage unless so specified in this Purchase Order. Seller shall pack or otherwise prepare all articles for shipment so as to secure the lowest transportation rates consistent with timely delivery, meeting carrier's requirements and safeguard against damage from weather, transportation and storage. A shipping notice shall be mailed to the Purchaser for each shipment at the time of shipment stating purchase order number, Dearborn part number, package number, weight, quantity and description of contents. A packing list shall accompany each shipment showing the same information.

9. RISK OF LOSS

Risk of loss on all property shipped by Seller to Purchaser shall pass to Purchaser at point of destination. Loss of damage discovered after transfer of title determined to be a result of faulty packaging or handling by Seller shall be Seller's responsibility. acceptance by Purchaser shall be final only after completion of inspection of Purchaser's plant or other designated point of acceptance. Cost of all return shipments, for whatever reason returned, shall be borne by Seller, with the title and risk of loss passing at Purchaser's plant unless otherwise specified by Purchaser at time of return.

10. DELIVERY

Time is of the essence in the performance of this Purchase Order. Seller shall not, without Purchaser's prior written consent, manufacture or procure material in advance of Seller's normal flow time or deliver in advance of schedule in the event of termination or change, no claim will be allowed for any such manufacture or procurement in advance of such normal flow time unless there has been such prior written consent of Purchaser. Purchaser may, at its discretion either retain property received in advance of the delivery schedule or return there to Seller at Seller's risk and expense. If retained time for payments and discounts shall be based upon required delivery schedule dates. All delivery and/or schedule changes must be in writing and signed by an authorized representative of Purchaser, and any changes made by Seller absent said writing shall be at Seller's risk.

11. INSPECTION

Seller shall permit Purchaser's inspectors and/or Purchaser's customers, to have access to Seller's plant at all reasonable hours for the purpose of inspection any items covered by the Purchase Order or work in process for production of said terms. Seller without additional cost to Purchaser, shall provide all reasonable facilities and assistance for the safety and convenience of such inspectors. At the time of inspection, Seller shall make available to the inspectors, copies of all drawings, specifications and process, preservation and packing data applicable to the articles ordered herein, if requested. Seller shall promptly furnish to Purchaser an inspection certificate. Supplies which do not meet specifications may be returned by Purchaser to Seller at Seller's expense, provided however, Purchaser may, in its sole discretion retain said supplies and make such expenditures for improvements, changes and alterations to said supplies as it may deem necessary in order to bring them into conformity with specifications of Seller's sale expense and Seller shall promptly reimburse Purchaser for any such expenditures. All items will be subject to final inspection and acceptance at destination point notwithstanding any prior payment or inspection and acceptance Purchaser may, at its option, either hold the rejected item for Seller's instructions and at Seller's risk or return them to Seller at Seller's expense and Seller shall promptly reimburse Purchaser for any and all damages sustained by Purchaser as a result of said failure or items to meet specifications. Purchaser reserves the right to charge Seller any and all costs of inspection and test when items tendered for final inspection and acceptance do not comply with the requirements of the Purchase Order. No replacement or correction of rejected items shall be made unless otherwise specified on Purchaser's returned material orders. All rejects shall be charged back plus the cost of packing, inbound freight and handling.

12. CHANGES

Purchaser shall have the right at any time to make changes in the drawing, designs, specifications, quantities, delivery schedules, shipments or packaging and place of inspection, and/or point of delivery of any item in the Purchase Order. No change shall be effective unless authorized in writing by Purchaser. If such changes result in delay or an increase or decrease in expense to Seller, Seller shall notify Purchaser immediately and negotiate an equitable adjustment provided, however, that Seller shall, in all events proceed diligently to perform the work or services or supply the items contracted for under this Purchase Order as so changed. No claim by Seller for such equitable adjustment shall be valid unless submitted to Purchaser within thirty (30) days from the date of such change, accompanied by an estimate of charges resulting from such change. Supplier may make no change in specifications, materials or any change which effects for, fit or function without prior written consent of Purchaser. Supplier must notify Purchaser of any change in company ownership or manufacturing facility location.

13. ASSIGNMENT

Neither this Purchase Order nor any interest under it shall be assignable by Seller, voluntarily or involuntarily, nor shall a subcontract be made with, nor other delegation of duties to any other party for the furnishing or any of the completed or substantially completed articles, spare parts or work covered by this Purchase Order without Purchaser's prior written consent. Any such consent given shall not be deemed to waive or prejudice Purchaser's rights to recoupment and/or set off of claims arising out of this or any other transaction and to settle or adjust matters with Seller without notice to assignee.

14. DRAWINGS, SPECIFICATIONS AND TECHNICAL INFORMATION

Drawings, data, designs, inventions and other technical information supplied by Purchaser shall remain Purchaser's property and shall be held in confidence by Seller. Such information shall not be reproduced, used or disclosed to other by Seller without Purchaser's prior written consent, and shall be returned to Purchaser upon completion of this Purchase Order or upon demand. All data, designs, inventions or discoveries developed by Seller as part of the effort undertaken under this Order shall be deemed to be the property of the Purchaser and any information which Seller may disclose to Purchaser with respect to the design, manufacture, sale, lease or use of the property or services covered by this Purchase Order shall be deemed to have been disclosed as part of the consideration for this Purchase Order and Seller shall not assert any claim (other than a claim for patent infringement or any patent, trademark, copyright or data rights. The purchase price of this Purchase Order is in part, consideration for any design work performed by Seller in connection with this Purchase Order and incorporated in the articles to be delivered hereunder and Seller shall not supply such articles to others without Purchaser's written permission.

15. PURCHASER'S PROPERTY

Unless otherwise agreed in writing, all special dies, molds, patterns, jigs, fixtures and all material and parts furnished to Seller by the Purchaser shall be the property of the Purchaser, shall be identified and marked as Purchaser's property and shall be used only in filling orders from the Purchaser. All such property shall be held at Seller's risk and shall be kept insured by the Seller while in its custody or control in an amount equal to the replacement cost hereof with loss payable to the Purchaser. Sold property and excess materials shall be subject to removal upon completion of the order at the request of Purchaser, without cost or expenses to Purchaser.

16. PATENT PROTECTION

Seller agrees to indemnify Purchaser and its customers against liability, including cost for infringement of any patent arising out of the manufacture, use, lease or sale of supplies under this Purchase Order. It is further provided that Seller's indemnity as to use shall not apply to infringement arising from use in combination with other property where infringement would not have occurred except for the user of the article with such other property or products made to Purchaser's design or specification. Purchaser agrees to notify Seller of any action which may be brought for alleged infringement and upon such notification Seller agrees that it shall, with the assistance of the Purchaser and at Seller's own expense defend any such action which may be brought against Purchaser or its customer.

In case sold material or articles is in such suit held to constitute infringement and the use of sold product or part is enjoined the Seller shall, at its own expense, and at its option, either procure for the Purchaser the right to continue using sold material or article or replace same with noninfringing comparable products or modify it so it becomes noninfringing or remove said product and refund the purchase price and the transaction and installation costs thereof.

17. VARIATION IN QUANTITIES

It is the Seller's responsibility to furnish the proper quantity called for on this order, therefore no variation in the quantities specified herein will be accepted as compliance with same except by prior written agreement. Purchaser reserves the right to return excess shipments Seller's expense.

18. NOTICE OF LABOR DISPUTE

Seller agrees that whenever any actual or potential labor dispute delays or threatens to delay the timely performance of this order, Seller shall immediately give written notice thereof to the Purchaser. The Seller also agrees to keep the Purchaser informed as to the progress in settling any labor dispute that should arise. Such information shall be transmitted to the Purchaser in writing.

19. DISPUTES

All matters regarding this order shall be interpreted in accordance with the laws of the Commonwealth of Florida. Purchaser may choose to seek arbitration for the settlement of any controversy which may not be settled directly by the parties however, Seller shall continue perform the obligations pending the outcome of said arbitration.

The rights and remedies provided herein are cumulative and in addition to any other right and remedy available to Purchaser at law or in equity.

20. LIENS

All property to be delivered by Seller hereunder and all property to be returned to Purchaser shall be free and clear at any and all liens and encumbrances whatsoever.

21. COMPLIANCE WITH LAWS

Seller shall comply with all applicable Federal, state and local laws. Government orders and regulations in performing this Purchase Order. On request Seller shall furnish Purchaser certificates of compliance with all such laws, orders and regulations. Seller covenants to save and hold Purchaser harmless of and from and to reimburse it for any and cost, damages, and expenses (including necessary attorney's fees) suffered or occasioned to it directly or indirectly through any failure of Seller to comply with and perform in accordance with any such law, regulation or order.

Seller's orders and regulations shall include, but not necessarily be limited to: FAIR LABOR STANDARD ACT Applicable requirements of Sections 6, 7 and 12 as amended, and the regulations and orders of the United States Department of Labor issued under Section 14 thereof. All invoices must carry the following certificate in order to be passed for payment. "We hereby certify that these goods were produced in compliance with all applicable requirements of Section 6, 7 and 12 of the Fair Labor Standards Act, as amended, and of regulations and orders of the United States Department of Labor issued under Section 14 thereof."

As required by Executive Order 11246 of September 24, 1965, as amended and by the rules, regulations, and orders of the Secretary of Labor, in particular, Seller agrees during the performance of work under the purchase order not to discriminate against any employee or applicant because of race, religion, color, age, sex, or national origin.

EMPLOYMENT OF VIETNAM ERA VETERANS As contained (Section 402 of the Vietnam Era Veterans Readjustment, Assistance Act of 1974, as amended) in 41 CFR 20-250 and Executive Order No. 11701

OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970, AS AMENDED 11701

EMPLOYMENT OF THE HANDICAPPED Rules and regulations of the Secretary of Labor (Section 503 of the Rehabilitation Act of 1973 as amended) in 20 CFR, CH. VI, Part 741 and P. I. 93-112 and 93-516 as amended.

CLEAN AIR ACT As set forth in 42 USC 1875C - B (C) (1).

FEDERAL WATER POLLUTION CONTROL ACT As set forth in 33 USC 1317 (C)

TOCSA Seller warrant that each and every chemical substance transferred to buyer under this purchaser order shall, at the time of sale, transfer , or delivery, be on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Agency pursuant to Section B of the Toxic Substance Control Act.

22. ADVERTISING

Seller shall not without first obtaining the written consent of Purchaser in any manner advertise or publish the fact that Seller has furnished or contracted to furnish, Purchaser with the articles herein mentioned or disclose any of the detail connected with this Purchase Order to any third party except as herein specified and except as may be required to perform the Purchase Order.

23. PURCHASER ORDER SUPPLEMENTAL TERMS AND CONDITIONS

TERMS APPLIED TO GOVERNMENT ORDERS

In the event this Purchase Order bears a Government contract number or if the articles, materials or services to be furnished hereunder are to be used in the performance of a Government contract or subcontract this Purchase Order shall be subject to all applicable Federal laws and regulations and will be deemed to contain all clauses required by the terms of any Government contract under or for which this Purchase Order is issued. The following Defense Acquisitions Regulations (formerly Armed Services Procurement Regulations ASPR), or equivalent Regulations current and in effect on the date of this Purchase Order are hereby incorporated by reference.

DAR Ref	Title	FAR Ref
7-104.12	Security Requirements (the term "Government" shall mean the U.S. Government)	52.204-2
7-104.109	Required Sources for High-Purity Silicon	52.208-7002
	Notice of intent to Furnish Precious Metals on GPM	52.215-7000
7-105.3	Stop Work Order	52.212-13
7-104.15	Examination of Records by Comptroller General (the terms "Comptroller General of the United States" means Comptroller General of the United States only)	52.215-1
7-104.41	Audit Negotiation	52.215-22 and 23
7-104.29(c)and(b)	Price Reduction for Defective Cost or Pricing Data	52.215-24 and 25
7-104.42(a)and(b)	Aggregate Pricing Adjustment	52.215-7000
7-103.26	Utilization of Small Business Concerns and Small Disadvantaged Business Concerns	52.219-8 and 9
7-104.14(a)and(b)	Utilization of Women-Owned Small Businesses	52.219-13
7-104.52	Utilization of Labor Surplus Area Concerns	52.220-3 and 4
7-104.20(a)and(b)	Notice to the Government of Labor Disputes	52.224-1
7-104.4	Convict Labor	52.222-3
7-104.17	Contract Work Hours and Safety Standards Act-Overtime Compensation General	52.222-4
7-103.16(a)	Walsh-Healey Public Contracts Act	52.222-20
7-103.17	Equal Opportunity	52.222-26
7-103.18(a)	Affirmative Action for Special Disabled and Vietnam Era Veterans	52.222-35
7-103.27	Affirmative Action for Handicapped Workers	52.222-36
7-103.28	Clean Air and Water Certification	52.223-1
7-2003.7.1	Clean Air and Water	52.223-10
7-103.29	Notice of Radioactive Materials	52.225-7000
7-104.80	Duty Free Entry (in the last sentence of paragraph (h) in FAR 52-225.10 the contract means the Prime Contract under which this order is issued)	52.225-10
7-104.31	Certain Community Areas	52.225-11
7-103.15	Buy American Trade Agreements	52.225-7005 and 7006
	Duty-Free Entry	52.225-7007 and 7008
7-2003.49	Authorization and Consent	52.227-1
7-103.22	Notice of Assistance Regarding Patent and Copyright Infringement	52.227-2
7-103.23	Patent Indemnity	52.227-3
7-104.5(a)	Waiver of Indemnity	52.227-4
7-104.5(b)	Royalty Information	52.227-6
7-2003.42	Patents Notice of Government Licenses	52.227-7
7-2003.15	Reporting of Royalties (Foreign)	52.227-8
7-104.8(a)	Refund of Royalties	52.227-9
7-104.8(b)	Filing of Patent Applications, Classified Subject Matter	52.227-10
7-104.6	Patent Rights	52.227-11, 12 and 13
7-302.23(a)and(b) and (h)	Rights in Technical Data and Computer Software	52.227-7013 and 7025
7-104.9(a)and(b)	Notice of Certain Limited Rights	52.227-7013 A.1
7-104.9(b)(c)	Pretermination of Rights in Technical Data	52.227-7014
7-2003.61	Rights in Technical Data	52.227-7015 and 7017
7-104.9(c)and(k)	Restrictive Materials or Technical Data	52.227-7018
7-2003.76	Indemnification of Technical Data	52.227-7019
7-104.9(e)and(f)	Indemnification of Restricted Rights, Computer Software	52.227-7020 and 7021
7.603.42(a)(i)	Government Rights (unlimited)	52.227-7022
7-104.9(a)	Deferred Delivery of Technical Data or Computer Software	52.227-7026
7-104.9(a)	Deferred Ordering of Technical Data or Computer Software	52.227-7027
7-2003.66	Requirements for Technical Data Certification	52.227-7028
7-104.9(i)	Indemnification of Technical Data	52.227-7029
7-104.9(h)	Technical Data Withholding of Payment	52.227-7030
7-104.9(i)	Data Requirements	52.227-7031
7-104.9(j)	Rights in Technical Data and Computer Software (Foreign)	52.227-7032
7-104.9(g)	Workers Compensation Insurance (Defense Base Act)	52.228-3
7-104.2(a)	Federal, State and Local Taxes	52.229-3 or 4
7-103.10(a)or(b)	Cost Accounting Standard	52.230-3
7-104.83(a)(i)	Administration of Cost Accounting Standards	52.230-4
7-104.83(b)	Disclosure and Consistency of Cost Accounting Practices	52.230-5
7-104.83(a)(2)	Frequency Authorization	52.235-7004
7-104.61	Changes Fixed Price	52.243-1
7-103.2	Changes Time and Material of Labor Hours	52.243-3
7-901.2	Limitation of Liability (the term a Government acceptance of in paragraph (b) is changed to "or Government or prime contractor acceptance of"	52.246-23
7-104.45(a)	Limitation of Liability	52.246-24 and 25
7-104.45(b) and 1912	Warranty of Data	52.246-7001
7-104.9(a)	Reference of U.S. Flag Air-Comers	52.247-63
7-104.95	Value Engineering (share percentages are those the parties agree to)	52.248-1
7-104.44	Verification for Convenience of the Government (Fixed Price) (Short Form)	52.249-1
7-103	Details (Fixed Price Supply and Service)(the terms "Government" in Paragraph (c) means U.S. Government	52.249-8
7-103.5	Inspection	52.256
7-103.12	Disputes	52.201

As used in the foregoing clauses where necessary to make the context applicable to the Purchase Order the terms "Government" or equivalent phrases and "Contracting Officer" or equivalent phrases mean "Dearborn Electronics", the term "contract" shall mean this Purchase Order.

Copies of these Regulations are containable from the Superintendent of Documents U.S. Printing Office Washington 25, DC.

