

TERMS AND CONDITIONS

Except to the extent otherwise specifically provided in written agreements between buyer and seller, the following shall apply:

1. This purchase order becomes a binding contract only when seller acknowledges the order promptly or acknowledgement is waived by buyer. By accepting this order seller agrees to all the terms and conditions stated in this purchase order and agrees to perform in accordance with this order. No term or condition stated by seller in accepting or acknowledging this order shall be binding upon buyer unless expressly accepted in writing by buyer. Buyer may at any time, by written change order, make changes in the drawings, designs or specifications applicable to the supplies or services covered by this purchase order, the method or timing of shipment and packing and the place of delivery; provided that if any such changes affect the time of performance or the cost of manufacturing such supplies or of furnishing such services, buyer shall make an equitable adjustment in the purchase price or delivery schedule or both. All rights and interests of every kind relating to this purchase order may be assigned by buyer, but shall not be assigned by seller without the prior written consent of buyer.

2. Seller warrants that the goods purchased hereunder will conform to the specifications, drawings, samples or other descriptions furnished or specified by the buyer (if any), and will be fit and sufficient for the purpose intended, merchantable, of good material and workmanship, and free from defects. In addition to any other remedy buyer may have, buyer may reject goods not conforming to the product warranties, whether or not such goods shall have been previously accepted by buyer or any prior payment been made thereon. Upon such rejection, seller shall either promptly replace such goods with acceptable goods or return any payments made on such rejected goods to buyer. Notwithstanding the above right of inspection and rejection, title to goods purchased under this purchase order shall pass to buyer upon acceptance thereof. Seller also warrants that the goods purchased hereunder are free and clear of all liens and encumbrances whatsoever and that the seller has good and marketable title to same.

3. Seller warrants that the goods specified herein and their sale or use, alone or in combination according to seller's specifications or recommendations, if any, will not infringe any United States or foreign patents. Seller agrees to indemnify and hold harmless buyer and anyone selling or using any of buyer's products from and against all loss, costs and expenses arising in connection with any alleged infringement and agrees, upon request of buyer and at seller's own expense, to defend or assist in the defense of any action which may be brought against buyer or those selling or using any of buyer's products, by reason of any such alleged infringement and to reimburse buyer for all attorneys' fees and expenses of litigation which buyer elects to incur in connection therewith. The seller hereby grants to buyer a license to repair, rebuild, and relocate and to have repaired, rebuilt and relocated the goods purchased hereunder. Any unpatented knowledge or information concerning the seller's product, methods or manufacturing processes which seller may disclose to buyer incident to the purchaser of the goods covered hereby shall, unless otherwise specifically agreed in writing, be deemed to have been disclosed as a part of the consideration of this order, and seller agrees not to assert any claim against buyer by reason of buyer's use thereof.

4. If this order calls for work to be performed upon property owned or controlled by buyer, seller agrees that: (a) seller will keep the premises and work free of all mechanic's or materialmen's liens and furnish buyer proper affidavits and waivers certifying thereto; (b) the work will remain at seller's risk prior to written acceptance by buyer and seller will replace at its own expense all work damaged or destroyed by fire, force, the elements or any other cause whatsoever; (c) seller will indemnify and hold harmless buyer (and all officers and employees of buyer) from and against all liability for loss, damage, death or injury to any person or property in any manner arising out of the performance hereof (regardless of negligence or other fault of buyer or its officers or employees), including without limitation all claims and demands made against buyer under any applicable workman's compensation laws, and seller shall furnish buyer with proper evidence that seller is insured against all liability under such laws or evidence of authority to self-insure in jurisdictions permitting the employer to be a self-insurer; (d) seller shall not avoid liability under this paragraph by hiring independent contractors to perform work on property owned or controlled by buyer.

5. Any delivery pursuant to this order shall constitute a warranty that seller has complied with all applicable laws and all rules and regulations of governmental authority and that the goods may be lawfully bought, sold, used and transported in interstate or intrastate commerce by buyer. Seller further warrants that the prices therefor are not in excess of any applicable price established by law or governmental regulation. Seller also warrants that it has complied with the Fair Labor Standards Act, the Walsh-Healey Act, all applicable Acts relating to civil rights and all regulations and orders under said Acts. The invoice or other document arriving with the goods shall contain a satisfactory certification concerning compliance with the Fair Labor Standards Act. This purchase order is subject to the "non-discrimination" provisions of Executive Order 11246 and any goods or services purchased hereunder have been manufactured or supplied in accordance with such order. Seller shall indemnify buyer against any liability under any applicable unemployment insurance law arising in connection with this purchase order.

6. Whenever seller shall by virtue hereof have in its possession property of buyer, seller shall be deemed an insurer thereof and shall be responsible for its safe return to buyer. Unless otherwise provided in this purchase order or any other written agreement between buyer and seller, all supplies, materials, facilities, tools, jigs, dies, fixtures, patterns and equipment furnished seller by buyer to perform this purchase order shall remain the property of buyer, and seller shall bear the risk of loss of and damage to such property, normal wear and tear excepted. Such property shall at all times be properly housed and maintained by seller, shall be deemed to be personalty, shall not be commingled with the property of seller or with that of a third person, shall not be moved from seller's premises without buyer's prior written approval, and shall, upon request of buyer, be immediately delivered to buyer by seller f.o.b. cars or trucks at seller's plant, properly packed and marked in accordance with the requirements of the carrier selected by buyer to transport such property or shall, upon request of the buyer, be immediately delivered to buyer by seller at any location designated by buyer in which event buyer shall have the right to enter onto seller's premises at all reasonable times to inspect such property and seller's records with respect thereto.

7. All goods shall be properly packed, marked and shipped in accordance with the requirements of the company carrier or other carrier transporting such goods and of this purchase order and in a manner which will permit the securing of the lowest transportation rates. Seller shall route shipments in accordance with buyer's instructions and shall reimburse the buyer for all expenses incurred by buyer as a result of improper packing, marking or routing. Seller shall be liable for excess charges for failure to ship and route cheapest way or as instructed. Seller shall mark each package in accordance with the current edition of buyers Package Identification Specifications or Steel Packaging Standards or other applicable industrial packaging standards selected by buyer. Any transportation charges paid by seller with respect to which seller is entitled to reimbursement shall be added to seller's invoice as a separate item and the receipted freight bill shall be attached thereto. Unless otherwise provided in this purchase order, no charge shall be made by seller for containers, crating, boxing, bundling, dunnage, demurrage, drayage or storage.

8. Each packing slip, bill of lading and invoice shall bear the applicable purchase order number and the location of the plant or other destination to which supplies are to be shipped. A numbered master packing slip shall accompany each shipment. If less than a carload is being shipped, the slip shall be included in one of the packages which shall be marked "Packing Slip Inside." In the case of a carload shipment, the slip shall be enclosed in an unsealed envelope

and tacked near the door on the inside of the freight car. The original bill of lading shall be mailed to the attention of the Traffic Manager at destination or such other party as buyer may designate. Unless otherwise provided in this purchase order, invoices shall be submitted as directed on the applicable shipping release issued by buyer. If because of failure of seller to meet the delivery requirements of this purchase order, buyer finds it necessary to require shipment of any of the supplies covered by this purchase order by a method of transportation other than the method originally specified by buyer, seller shall reimburse buyer the amount, if any, by which the cost of the more expeditious method of transportation exceeds the cost of the method of transportation originally specified.

9. Unless specific delivery dates are provided in this purchase order, seller shall not fabricate any of the goods covered by this purchase order, procure any of the materials required in their fabrication or ship any of such goods to buyer except to the extent authorized in written instructions furnished to seller by buyer. Buyer shall have no responsibility for supplies for which delivery dates or such written instructions have not been provided. Shipments in excess of those authorized may be returned to seller and seller shall pay buyer for all packing, handling, sorting and transportation expenses incurred in connection with such shipments. Buyer may from time to time change shipping schedules specified in this purchase order or contained in such written instructions or direct temporary suspension of such scheduled shipments.

10. (a) Performance of work under this purchase order may be terminated by buyer at its option, in whole or in part, at any time by delivery or by mailing of 48 hours advanced written notice termination to seller. Upon receipt of notice of termination seller shall, unless otherwise directed by buyer, terminate all work under this purchase order and shall, unless otherwise directed by buyer (1) terminate all orders and subcontracts relating to the performance of the work terminated by the notice of termination; (2) settle all claims arising out of such termination of orders and subcontracts; (3) transfer title and delivery to the buyer of all completed work which conforms, in quality, to the requirements of this purchase order and does not exceed, in quantity, the amount authorized for production by buyer, and all reasonable quantities (but not in excess of amounts authorized by buyer) of work in process and materials produced or acquired in respect of the performance of the work terminated which are of a type and quality suitable for producing supplies which conform to the requirements of the purchase order and which cannot reasonably be used by seller in producing supplies for itself or for its other customers; (4) take all action necessary to protect property in seller's possession in which buyer has or may acquire an interest; (5) submit to buyer promptly, and not later than three months from the effective date of termination (one month in the case of partial termination) its termination claim, provided however, that in the event of failure of seller to submit its termination claim within such period, buyer may determine, notwithstanding the provisions of subparagraph (b) hereof, on the basis of information available to it, the amount, if any, due seller with respect to the termination and such determination shall be final.

(b) Upon termination by the buyer under this paragraph, buyer shall pay to seller the following amounts without duplication: (1) the purchase order price for all goods or services which have been completed and delivered to buyer in accordance with this purchase order and not previously paid for; (2) the actual costs incurred by seller in accordance with this purchase order to the extent such costs are reasonable in amount and are properly allocable or apportionable under generally accepted accounting practices to the termination portion of this purchase order, including the actual cost of work in process and materials delivered to buyer in accordance with subparagraph (a) of this paragraph and including the actual cost of discharging normal liabilities which are so allocable or apportionable; and (3) the reasonable costs incurred by seller in protecting property in its possession in which buyer has or may acquire an interest. Payments made under this subparagraph (c), exclusive of payments under subdivision (3) hereof, shall not exceed the aggregate price specified in this purchase order, less payment otherwise made or to be made.

(c) The provisions of this paragraph shall not apply if this purchase order is terminated by buyer for the default of seller as provided in this purchase order. Nor shall the provisions of this paragraph apply when the seller invokes the paragraph related to excusable delays. Notwithstanding any other provision of this paragraph. If the goods covered by this order constitute standard stock merchandise, buyer, at its option, may cancel at any time any unshipped portion of this order without further obligation hereunder, except to make payment, subject to other applicable terms hereof for the goods actually shipped prior to such cancellation.

11. If seller refuses or fails to make deliveries of the supplies called for in this purchase order within the time specified in the purchase order or in any shipping release issued to seller, or if seller fails to perform any other provisions of this purchase order or fails to make progress as to endanger performance of this order in accordance with its terms, buyer, subject to the provisions hereof for excusable delays, may, by delivery or by mailing of a written notice of termination to seller, terminate the performance of work under this purchase order in whole or in part. Such notice of termination shall be effective at the time of delivery or upon mailing.

12. (a) Neither the buyer nor the seller shall be liable for a failure to perform hereunder arising from acts of God or of a public enemy, acts of the Government of the United States or any state or political subdivision or any department or regulatory agency thereof or entity created thereby, acts of any person engaged in subversive activity or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions, strikes, slowdowns, lockouts or labor stoppages or disputes of any kind, freight embargoes, unusually severe weather, delays of a supplier due to any of the above causes or events or causes or events beyond the control and without the fault or negligence of buyer or seller in failing to perform hereunder.

(b) In the event of a failure by seller to perform hereunder arising from any of the causes or events set forth in subparagraph (a) above, buyer shall be entitled to obtain goods or services covered by this purchase order elsewhere for the duration of such failure and to reduce, pro tanto, and without any obligation to seller, the quantity or amount of goods or services ordered from seller under this purchase order. This right of buyer shall continue until buyer receives written notice from the seller that seller is no longer relying on the provisions of this paragraph to excuse performance of this purchase order, provided, however, that such written notice shall not require buyer to breach any contract or agreement made during the period which seller used the provisions of this paragraph to excuse performance.

13. The individual remedies reserved by buyer in this purchase order shall be cumulative and additional to any other or further remedies provided in law or equity or in this purchase order. No waiver of any breach of any provision of this purchase order shall constitute a waiver of any other breach of any provision of this purchase order shall constitute a waiver of any other breach, or of such provision. Seller agrees not to bring a suit, not to assert, institute or commence an action in any court on a cause of action arising hereunder if more than two years and one day have elapsed from the time that said cause of action arose hereunder. Absence from the state shall not suspend the running of such period.

14. All materials and/or equipment must meet the Williams Steiger Occupational Safety and Health Act of 1970 Public Law 91-596 and applicable Texas Safety Laws. Hazard data sheets must be furnished for all chemicals ordered under this purchase order.

15. Purchase of \$2500 or more are covered by The Rehabilitation Act of 1973, as amended. Purchases of \$10,000 or more are covered by the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (as shown at 38 U.S.C. 2012).

16. Purchases from suppliers with more than 50 employees and federal contracts of more than \$50,000 are to have an affirmative action plan in accordance with 41 CFR 60-1.4(a)(7), 60.250.4 (m), and 60.741.4 (f).