

McAlpin Industries, Inc.
Standard Terms and Conditions of Purchase

Agreement: This agreement is a written binding Purchase Order (the "PO") between McAlpin Industries, Inc. ("MI") and Seller.

Entire Agreement: This PO constitutes the entire agreement between MI and Seller and supersedes any prior or contemporaneous representations, proposals or agreements with respect to its subject matter. No modification, amendment, rescission, waiver, or termination of this PO, or any of its terms and conditions, shall be binding on MI unless agreed to in writing by MI and signed by an authorized representative of MI. By acknowledging receipt of this PO, or by beginning to perform hereunder, or shipping any Items described herein, Seller agrees to all the terms and conditions of this PO. Any additional or different terms proposed by Seller are hereby objected to and rejected by MI.

1. Performance: If Seller shall fail in any respect to perform its obligations hereunder with promptness and diligence, MI may cancel this PO in part or in its entirety without liability for the canceled part(s).
2. Shipment and Delivery:
 - a. Seller's performance of its obligations is critical to MI success. Seller shall immediately notify MI in the event that Seller's timely performance under this PO is delayed or likely to be delayed, in whole or in part, and Seller shall provide MI with all available Information regarding the reasons for such delay. Such notice shall not constitute a waiver by MI of any of Seller's obligations hereunder. If only a portion of the items covered by this PO are available for shipment to meet the delivery date, Seller shall, unless MI instructs otherwise:
 - i. ship the available items in time to ensure timely delivery and
 - ii. ship, at Seller's expense, the remaining portion of the items as soon as such items become available to Seller.
 - b. Seller shall make every effort to deliver the items and/or services ordered by MI no later than the delivery date specified in this PO. If, not due to any fault of MI, the specified mode of transportation would not permit Seller to meet the delivery date, Seller shall:
 - i. ship such item(s) by air freight or other expedient means acceptable to MI, and Seller shall pay the excess of the cost of such expedited shipment over the cost of the specified mode of transportation. If Seller fails to deliver the items and/or services ordered by MI on or no more than 4 days before the Due Date, then MI may terminate this PO pursuant to Paragraph 15.
 - c. If the items ordered by MI are delivered more than four (4) work days prior to the Due Date(s) specified in this PO, MI may either reject the items and return the shipment to Seller or accept the items pursuant to Paragraph 5 below. MI reserves the right to charge storage fees for any item(s) arriving more than four (4) working days early and/or waiting for disposition by Seller.
 - d. MI's return shipment to Seller of any items and/or services that do not meet specification pursuant to Paragraph 5, are shipped in excess of PO Quantity pursuant to Paragraph 6, or are delivered early pursuant to Paragraph 2.3 above, and Seller's shipment to MI of all replacement or reworked items to replace non-conforming items shall be at Seller's own risk and expense, including, without limitation, transportation and insurance charges (round trip).
3. Packing, Preservation and Handling: Seller shall preserve, pack, package, and handle all items and, in absence of specifications from MI or services ordered by MI, in accordance with best commercial practices, so as to protect the items from loss or damage. Seller shall be liable for, and promptly refund to MI, the amount of any loss or damage due to Seller's failure to properly preserve, pack, package or handle such items.
4. Transportation / Freight: Seller agrees to comply with MI Shipping Instructions as listed on PO. Unless otherwise stated herein, all items delivered to MI shall be FOB or FCA MI's plant at the address set forth in this PO.
5. Inspection and Acceptance: All items and/or services to be supplied under this PO are subject to inspection and expediting by MI or its representative. Seller shall allow MI or its representative free access to Seller's work and provide free access to the work of Seller's subcontractors.
 - a. MI may reject all or any part of any shipment or performance that fails to meet specifications or is in any manner

non-conforming. MI may, at its sole option, return any rejected item for refund or credit, have the rejected item and/or service replaced or re-performed, at Seller's sole cost, or accept any non-conforming item and/or service and pay Seller for same in an amount MI reasonably determines represents the diminished value of such non-conforming item and/or service.

- b. MI reserves the right to rework and/or sort non-conforming item and charge Seller the cost of this rework and/or sort, provided that Seller is unable to complete the rework and/or sort within the time frame established by MI. Labor shall be charged at a rate of \$65.00 per hour and shall be handled as a credit or offset against any amounts owed by MI to Seller under this or any other PO between them.
6. Purchase Order Quantities: PO quantities are exact. Seller shall not ship less or more than the quantity specified in this PO. MI reserves the right to return excess items at Seller's expense. Seller shall report any quantity discrepancies to the MI Buyer within 48 hours of receipt of material.
7. Price: Unless otherwise specified in this PO, Seller's prices include all taxes, shipping fees, duties, customs, and tariffs.
 - a. Seller must secure MI Buyer's written approval before shipment if prices are higher than specified on the Purchase Order.
8. Identification: Seller shall identify each shipment with MI Purchase Order Number, MI Part Number and/or Description, Quantity, and Date of Shipment. Failure to comply may result in delayed payment. These identifiers apply to:
 - a. Individual packages
 - b. Packing Lists
 - c. Bills of Lading
 - d. Invoices
9. Consent: Seller shall not, without MI's prior written consent, commence to manufacture or procure any of the items and/or services specified in this PO in advance of Seller's normal lead time for such items. In the absence of MI's prior written consent, MI shall not be obligated, in the event of termination or a change in this PO, with respect to any items manufactured or procured in advance of Seller's normal lead time for such Items.
10. Assignment and Subcontracting: Seller may not assign any of its rights or delegate any of its obligations under a specific PO without MI's prior written consent.
11. Payment Terms: Payment terms are negotiated individually between the MI Purchasing Manager or CFO and Seller. Preferred terms are 2% 15 Net 60. Payment discount will be calculated from date of receipt of correct invoice or acceptance of items and/or services, whichever is later.
12. Change Orders:
 - a. MI may, at any time prior to the Due Date, by a written order suspend its purchase of items and/or services hereunder, change the quantities of items or the scope of services ordered or the Due Date or make changes in:
 - i. applicable drawings, designs, and/or specifications,
 - ii. the method of shipment or packing, and/or
 - iii. the place of delivery or the specified location for services to be performed.
 - b. If a change by MI under Paragraph 12 causes an increase in the cost or time required for Seller's performance under this PO and Seller so notifies MI promptly in writing, then the price and/or delivery schedule of the items and/or services shall be equitably adjusted as mutually agreed upon by both parties, and the parties shall modify this PO accordingly in writing.
 - c. Nothing in Paragraph 12 is intended to excuse Seller from performing pursuant to this PO as changed or amended.
13. Confidentiality: All MI drawings, specifications or technical information used by Seller shall remain the property of MI, and

shall be held in confidence by the Seller and shall not be reproduced or disclosed to others without the prior written permission of MI.

14. Waiver: In the event MI fails to insist on strict performance of any of the terms and conditions of this PO, or fails to exercise any of its rights and privileges hereunder, such failure shall not constitute a waiver of such terms, conditions, rights or privileges.
15. Termination for Cause: MI upon written notice, may terminate this PO or any part thereof, as a result of Seller's failure to render to the satisfaction of MI, the items and/or services required of it, including progress of the work. Such abandonment or termination shall not be deemed a breach. Seller shall not be entitled, nor shall MI give any consideration, to claims for any costs or for loss of anticipated revenue(s), including overhead and profit, due to the termination of this PO, or any part thereof, by MI for cause.
16. Termination for Convenience: MI, upon written notice, may terminate this PO, or any part thereof, for its convenience and such action shall in no event be deemed a breach of this PO. Upon receipt of written notification from MI that this PO, or any part thereof, is to be terminated, Seller shall immediately cease performance related to the work covered by MI's notice of termination. Seller shall be entitled to just and equitable payment in accordance with this PO for any work satisfactorily performed prior to the date of such notice, as determined by MI in its reasonable judgment. In determining the value of the work satisfactorily performed by Seller prior to termination, Seller shall not be entitled, nor shall MI give any consideration, to Seller for claims for loss of anticipated revenue(s), including overhead and profit, which Seller might have reasonably expected to make on the uncompleted portion of the work.
17. Confidential Information and Publicity: If MI and Seller have entered into Non-Disclosure Agreement ("NDA") which covers disclosure of confidential information under this PO, and if the term of the NDA expires before the expiration or termination of this PO, then the term of the NDA shall be automatically extended to match the term of this PO.
18. Indemnification: Seller shall defend, indemnify and hold MI harmless from and against any and all claim, demand, loss, damage, liability, cost or expense, including professional fees and costs incurred by or asserted against MI (together, a "Claim"), arising out of or in connection with any act or omission of Seller (including its Subcontractors) in the performance of its obligations under this PO, or any infringement of a third party's Intellectual Property Rights or any other rights. MI shall promptly notify Seller of the existence of any Claim.
19. Compliance with Laws: Seller agrees to comply with all applicable laws, rules, regulations, ordinances or other requirements of any national, state, provincial, local, multi-national or international body (collectively "Laws") relating to the manufacture, sale, delivery and use of the Supplies or otherwise relating to the Order. Upon request, Seller will submit to MI evidence of such compliance.
20. Insurance: Seller shall obtain and maintain at all times during the performance of the Work, insurance acceptable to Buyer, with the following coverage and terms: Commercial General Liability, including Products Liability and Contractual Liability, with a minimum combined single limit of \$1,000,000.00 per occurrence and \$2,000,000.00 per yearly aggregate. On or before execution of this PO, Seller shall furnish MI with certificates of insurance evidencing such coverage. These certificates shall also provide that: MI is named as an additional insured for Commercial General Liability and Excess Liability insurance. The insurer shall provide notice in writing to Buyer at least thirty (30) calendar days prior to any cancellation or material change in such insurance coverage. Seller shall require each of its subcontractors (regardless of tier) to carry insurance, in accordance with the above terms, at all times during the term of this PO.
21. Completion: This Agreement will not be considered complete until all specifications and requirements have been satisfied and accepted by MI. These requirements also include, but are not limited to, MI's acceptance of all documentation, drawings, manuals, etc.

22. Approvals:

Seller Company:	_____	McAlpin Industries, Inc.	
Represented by:	_____	Represented by:	_____
Title:	_____	Title:	_____
Signature:	_____	Signature:	_____
Date:	_____	Date:	_____