

TERMS OF PURCHASE

1. Vendor hereby agrees to indemnify and save harmless Purchaser and Owner for all costs whatsoever involved in any and all claims or suits for infringement of patent or patent rights claimed to govern Vendor's processes, products, items, equipment, apparatus or appliances. Purchaser or Owner shall give Vendor reasonable notice of any such claim or suit and Vendor agrees to undertake at his own expense the defense of any and all such claims or suits. Purchaser or Owner shall provide at Vendor's expense such assistance in defending such claim or suit as may reasonably be requested by Vendor.

2. Vendor expressly warrants that all goods furnished hereunder will conform to the specifications, drawings and samples and other descriptions furnished or approved by Purchaser and will be fit and sufficient for the purpose intended, merchantable, of good material and workmanship and free from defects. Unless otherwise provided for by an express warranty or by plans and specifications, warranties shall extend for a period of not less than one (1) year from the date of final acceptance by Owner of Purchaser's work of which the items supplied hereunder are a part and Vendor expressly extends all such warranties to Owner, as well as Purchaser. Vendor agrees to indemnify Owner and Purchaser against all losses, damages or expenses arising from breach of any such warranties. These warranties shall survive any inspection, delivery, acceptance or payment.

3. Before any payment hereunder shall become due, Purchaser, at its option, may require Vendor to furnish satisfactory evidence of the payment of all accounts for labor and materials pertaining to Vendor's performance hereunder, and provided further that before any payment hereunder shall become due Vendor shall, if required by Purchaser, procure and furnish to Purchaser a full and complete release of liens, or in the alternate, Purchaser may require a surety bond satisfactory to Purchaser.

4. Vendor further agrees that he shall within ten (10) days from the date of notice from the Purchaser provide Purchaser with a Performance or Payment Bond or a Supply Bond, whichever is applicable, duly executed with a surety company approved by Purchaser and in form, contents and amounts acceptable to Purchaser.

5. It is agreed that no certificate given or payment made on account of this order shall be conclusive evidence of delivery and acceptance of the items hereunder either wholly or in part or shall be construed as acceptance of defective or improper items. All materials shall be rejected subject to Purchaser's inspection and acceptance. Defective material or material not in accord with Purchaser's specifications will be held for Vendor's instructions and at Vendor's risk, and if Vendor so directs will be returned at Vendor's expense. Goods returned as defective will be replaced only upon issuance of a new Purchase Order.

6. In the event that this order covers the rental of tangible personal property, with or without the option to purchase, Lessor assumes responsibility for all personal property taxes, etc., if any, which may be levied upon said tangible personal property while in the possession of Lessee, Purchaser or Owner.

7. Purchaser reserves the right to cancel without liability all or any part of the undelivered portion of this order for any material breach by Vendor of any of the terms hereof including the warranties of the Vendor.

8. If Vendor ceases to conduct its operations in the normal course of business including inability to meet its obligations as they mature or if any proceeding under the bankruptcy or insolvency laws is brought by or against Vendor, or a Receiver for Vendor is appointed or applied for, or an judgment for the benefit of creditors is made by Vendor, Purchaser may terminate the order without liability except for deliveries previously made or for goods covered by the order then completed and subsequently delivered in accordance with the terms of the order.

9. Vendor shall not advertise or publicly announce the fact that Vendor has contracted to supply any machinery, equipment, material or services for the Purchaser without obtaining the prior written permission of Purchaser.

10. Purchaser reserves right to change specifications and delivery dates, such change to be in writing signed by a duly authorized representative of Purchaser. Any difference in contract price resulting from such changes shall be equitably adjusted and the contract shall be modified in writing accordingly.

11. Vendor shall furnish separate invoice with 5 copies for each order, showing cash discount terms, point of shipment, transportation charges prepaid or collect.

12. Discount date, or due date, will be calculated from the date invoice is received by Purchaser, acceptable in accordance with purchase order terms and instructions.

13. Failure to deliver material of the quality and within the time or times specified shall, at the option of the Purchaser, relieve it of any obligation to accept and pay for such materials, as well as any undelivered installments, if there be any, and upon failure to deliver as specified the Purchaser may buy elsewhere and charge the Seller with any loss incurred thereon, unless deferred shipment be arranged for in writing signed by both Vendor and Purchaser. Any failure by the Purchaser to exercise this option with respect to any installment shall not be deemed to constitute a waiver with respect to subsequent installments.

14. Each package, invoice, bill of lading and shipping notice must be marked plainly with our order number.

15. When material is made to the engineers' blueprints, such design shall not be used elsewhere without permission from Purchaser.

16. Drafts for purchases made will not be honored unless otherwise agreed.

17. No sales or use tax is included in the price contained in this purchase order. All other taxes that Vendor is responsible for are included in purchase price.

18. No negotiations, oral agreements, or other understanding shall in any way modify this purchase order, or the terms of the conditions hereof. Written modifications to be effective must refer to this purchase order number so that all matters relating to this contract are set forth in this purchase order.

19. Time is of the essence in the performance of this order and where delivery dates are specified herein, failure to deliver in accordance therewith shall constitute a material breach of this order.

20. The terms and conditions of this order shall be construed and interpreted under, and all respective rights and duties of the parties shall be governed by the laws of the State of South Carolina.

21. Acceptance of this order constitutes the acceptance of the above conditions.

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