

FRONT OF PURCHASE ORDER

The Seller accepts this purchase order subject to the terms and conditions appearing on the face and the reverse side of this page. Seller certifies that all goods furnished shall have been produced in compliance with all applicable requirements of the Fair Labor Standards Act of 1938 as amended. In accordance with 29 CFR 1910.1200(g), please send completed Material Safety Data Sheets (MSDS) with any product on this purchase order identified as being toxic or hazardous or containing toxic material. THE SELLER WILL COMPLY WITH ALL PROVISIONS OF EXECUTIVE ORDER 11246, AS AMENDED, AND SECTION 503 REGULATIONS #60-741.4 (HANDICAPPED) AND #60-250.4 (VETERANS), AND ALL RELEVANT RULES, REGULATIONS AND ORDERS OF THE SECRETARY OF LABOR.

JARP INDUSTRIES, INC. – TERMS AND CONDITIONS OF PURCHASE

ALL PURCHASES ARE ACCEPTED BY JARP INDUSTRIES, INC. (“JARP”) SUBJECT ONLY TO THESE TERMS AND CONDITIONS.

1. Acceptance and Governing Provisions. This purchase order (“Order”) is not an acceptance of any offer to sell, but is an offer to buy, which may be accepted by any expression of acceptance, including, without limitation, shipment of items to Jarp. Upon acceptance, this Order shall constitute the entire agreement between Jarp and the seller named on the Order (“Seller”), except additional warranties given by Seller, superseding any and all previous communications and negotiations. Unless specifically agreed to in writing by Jarp, no additional or different term or provision (except additional warranties given by Seller) of any quotation, acknowledgment, invoice, or other form supplied by Seller shall become a part of the contract, notwithstanding any failure by Jarp to specifically object to such term or provision. Jarp agrees to purchase the items or services described on the face of this Order subject to these Terms and Conditions of Purchase (the “Terms and Conditions”) and only upon Seller’s complete acceptance of all provisions in these Terms and Conditions, without modifications or additions. **THIS ORDER, AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES TO THE CONTRACT OF SALE RESULTING FROM THE ACCEPTANCE OF THIS ORDER, SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF WISCONSIN, INCLUDING ITS PROVISION OF THE UNIFORM COMMERCIAL CODE. THE RIGHTS AND OBLIGATIONS OF JARP AND SELLER SHALL NOT BE GOVERNED BY THE PROVISIONS OF THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS.**

2. Prices; Security Interest. All prices are firm, and no additional charges will be allowed unless specifically provided for in this Order. All time periods for determining payment due dates and availability of discounts commence with Jarp’s receipt of the items or services or receipt of an invoice, whichever is later. If Jarp is to make any payment before Jarp’s receipt of the items, Seller grants Jarp a security interest in the items and all proceeds of the items to secure performance of Seller’s obligations under this Order, and agrees to execute and deliver such financing statements as Jarp may reasonably consider necessary or appropriate to perfect its security interest.

3. Delivery Schedule. Seller shall deliver the items or services in the quantities, time frame, and prices that are specified in or attached to this Order. If no time frame is specified in the Order, then the items or services shall be delivered within two (2) weeks of the date of the Order, unless Jarp consents to another time frame in writing. Failure of Seller to comply with such requirements shall entitle Jarp, in addition to any other rights or remedies, to cancel this Order and be relieved of all liability for any undelivered portion.

4. Packing and Shipping. All items shall be suitably packed, marked conspicuously with Jarp’s purchase order number, and shipped in accordance with shipping instructions specified in the Order and otherwise in accordance with the requirements of common carriers so as to obtain the lowest transportation cost. Jarp shall have the right to route all shipments. No charge shall be made to Jarp for packaging, boxing, or cartage unless separately itemized in the Order. Seller shall be liable to Jarp for any loss or damage resulting from Seller’s failure to act so as to provide adequate protection during shipment. Additional expenses, charges or claims incurred as a result of deviation from the specified route, non-compliance with other shipping instructions or improper description of the shipment in shipping documents shall be Seller’s responsibility. Immediately upon shipment Seller is to notify Jarp, advising of complete shipping and routing information.

5. Inspection. All items are subject to final inspection and approval at Jarp’s plant or other place designated by Jarp. Such inspection shall be made within a reasonable time after delivery, irrespective of the date of payment. Notwithstanding any payment that may be made, no items are to be deemed accepted until Jarp has had a reasonable opportunity to inspect them.

6. Rejected Items. Jarp may return rejected items at Seller’s expense. Seller shall not replace items returned as defective unless so directed by Jarp in writing.

7. Changes. Jarp may make changes in drawings, specifications, quantities, delivery schedules, or methods of shipment or packaging on any item at any time. If such changes result in an increase or decrease in cost, an equitable adjustment of price and delivery schedules may be made, or Jarp may, at its option, terminate this contract pursuant to Section 13 of these Terms and Conditions if agreement on an equitable adjustment cannot be reached. Claims for equitable adjustment must be asserted by Seller within ten (10) days of the change order.

8. Risk of Loss. The risk that the ordered items may be lost, damaged or delayed in transit shall be borne by Seller until actual receipt of them by Jarp in conformity with the terms of this Order.

9. Warranty. In addition to its standard warranty and/or service guaranty, Seller warrants that all items supplied under this Order shall be free and clear of all liens and encumbrances, good and merchantable title being in the Seller; be free from any defects in design, material or workmanship and/or good and merchantable quality; conform to Jarp's specifications or the sample approved by Jarp, as the case may be, or be fit for the known purposes for which purchased and comply and have been produced, processed and delivered in conformity with all applicable federal, state or other laws, administrative regulations and orders (collectively referred to as the "Warranties"). These Warranties shall survive inspection, delivery and payment and shall run in favor of Jarp and its customers. Seller shall be responsible for any and all losses, liabilities, damages and expenses, including incidental and consequential damages, and including attorneys' fees and other costs of prosecuting an action for breach, that Jarp may sustain or incur as a result of the breach of any of the Warranties.

10. Non-Assignability. Seller shall not assign or subcontract the work to be done under this Order, whether by operation of law or otherwise, without Jarp's prior written approval. This provision shall not be construed to restrict Seller in the procurement of component parts or materials.

11. Taxes. Except for those taxes expressly set forth in this Order, Jarp shall not be liable for any federal, state or local taxes, duties, customs, or assessments in connection with the sale, purchase, transportation, use, or possession of the items ordered.

12. Indemnity. Except for items ordered in accordance with Jarp's design, Seller warrants that the sale or use of items furnished under this Order will not infringe or contribute to infringement of any patent, copyright or trademark in the United States or elsewhere, and Seller shall indemnify Jarp, its successors and assigns and its customers whether direct or indirect, against any and all losses, liabilities, damages and expenses (including attorneys' fees and other costs of defending any infringement action) that they, or any of them, may sustain or incur as a result of a breach of this warranty. Seller shall also indemnify Jarp, its successors and assigns and its customers, whether direct or indirect, against any and all losses, liabilities, damages and expenses (including attorneys' fees and other costs of defending any action) which they, or any of them, may sustain or incur as a result of any claim of negligence, breach of warranty or strict liability in tort in connection with the items or services furnished under this Order, except such as may be caused solely by the negligence of Jarp, its successors and assigns, and/or its customers.

13. Cancellation by Jarp. Jarp shall have the right to cancel this Order without cause and in such event Jarp's liability for cancellation shall be limited to Seller's actual cost for work and materials, applicable solely to this Order, which shall have been expended before notice of cancellation has been received by Seller.

14. Drawings, Other Design Data. All drawings, specifications, design, data, information, ideas, methods, tools, dies, fixtures, patents, and/or inventions made, conceived, developed or acquired by Jarp shall remain Jarp's property and shall be treated as confidential information and shall be returned to Jarp upon completion of the requested items or services or upon demand by Jarp. Seller shall not give, loan, exhibit, sell, or transfer any drawing, photograph, specification, or reproduction of such drawing, photograph, or specification furnished by Jarp to any organization, entity, or person not employed by Seller and authorized to receive such information. Any information that Seller may disclose to Jarp with respect to the design, manufacture or sale or use of the items covered by this Order shall be deemed to have been disclosed as part of the consideration for this Order and Seller shall not assert any claim (other than a claim for patent infringement) against Jarp by reason of Jarp's use of such information.

15. Buyer's Property; Tools. Seller shall insure, and bear the risk of loss, of any property of Buyer in Seller's possession for performance of the contract. Tool charges convey ownership of the tools to Buyer, and the Seller shall deliver such tools (and other property of Buyer) to Buyer on demand.

16. Miscellaneous. Jarp and Seller agree that any legal action deemed necessary by either party shall be brought in the Circuit Court in and for Marathon County, Wisconsin, and both parties consent to the personal jurisdiction of such court in any such action over the parties. The invalidity, in whole or in part, of any of the provisions of these Terms and Conditions shall not affect the enforceability of any of the other provisions.