

ENGERT, LLC

PURCHASE ORDER TERMS AND CONDITIONS

1. OFFER AND ACCEPTANCE. These Purchase Order Terms and Conditions (“Terms and Conditions”) govern the terms and conditions under which each purchase order (“Purchase Order”) shall be issued by Engert, LLC (“Purchaser”) to purchase from Seller the goods and services identified on such Purchase Order. Each Purchase Order is an offer by Purchaser to purchase the goods and services identified therein in accordance with the terms and conditions in such Purchase Order and in these Terms and Conditions (collectively, “Goods and Services” or, individually, “Goods” or “Services”). References herein to a “Contract” shall mean these Terms and Conditions and each Purchase Order issued by Purchaser to Seller, as either may be amended by written agreement of Purchaser and Seller or otherwise as may be modified pursuant to Section 4 hereof. Purchaser objects to the inclusion of any terms or conditions proposed by Seller which are different or in addition to the terms and conditions of a Purchase Order as originally issued by Purchaser. Any such terms shall be void and the terms therein and herein shall constitute the complete and exclusive statement of the terms and conditions of the contract between the parties. Seller accepts and shall be bound by each Purchase Order upon the earlier occurrence of the following: (a) Seller executes and returns the acknowledgment copy hereof or a signed Purchase Order to Purchaser; or (b) Seller begins provision or performance of any Goods and Services identified in the applicable Purchase Order. Such events shall constitute acceptance by Seller of the Purchase Order and these Terms and Conditions.

2. PURCHASE PRICE AND PAYMENT. The purchase price of the Goods and Services is as set forth on the face side of each Purchase Order applicable thereto. If no purchase price is there stated, the purchase price shall not be higher than the lowest of the price last (a) quoted; or (b) charged to Purchaser for the applicable Goods and Services. In any case, the purchase price is a firm price and is not subject to increases or escalation unless specifically stated otherwise in the Contract. In the event Seller reduces its price for any Goods or Services at any time while these Terms and Conditions are in effect, Seller shall reduce the prices it charges Purchaser for such Goods or Services accordingly. Unless otherwise specified in the Purchase Order, Purchaser shall issue payment for applicable Goods and Services within 60 days after Seller’s proper invoice is received by Purchaser; but in any event, such payment shall not be due until: (a) if required by Purchaser, Seller has provided to Purchaser a fully executed lien waiver and affidavit in a form designated by Purchaser and/or Purchaser’s customer; and (b) Purchaser has accepted the Goods and Services to which such invoice is applicable as having been completed in accordance with the Contract. If a discount is allowed to Purchaser for payment within an agreed upon period, the time for taking such discount will not begin until the later of the date Purchaser actually receives a proper invoice or the date of acceptance of the applicable Goods and Services. Notwithstanding anything in this Agreement or any Contract Documents to the contrary, the Purchase Price in this Agreement is firm and not subject to escalation for any reason unless expressly authorized by Purchaser in writing in accordance with this Agreement. For the avoidance of doubt, the Purchase Price in this Agreement includes, without limitation, all applicable federal, state and local taxes and all import charges in effect or otherwise assessed as of the date of execution of this Agreement. Further, the Purchase Price in this Agreement shall not be subject to escalation or surcharges based on any changes (whether foreseeable or unforeseeable) in market volatility or material availability of any applicable goods or materials required for the Purchase Order (or any components thereof) in response to or resulting from imposition of any such taxes or import charges. The term “import charges” as referred to above is given its customary meaning, applies whether paid or absorbed by Seller directly or indirectly and includes, without limitation, value added taxes, duties, tariffs and excise taxes and any other cost assessed by a government authority in connection with the importation of goods, third party brokerage fees, penalties and classification charges (under the Harmonized System classification code), charges for export compliance screening and verification and the assignment of Export Control Classification Number (for the U.S), and charges related to the management of variances between the quoted import charges and actual costs; provided that if any governmental customs or tax officials impose any surcharges, fines, penalties or other charges on the goods or materials required for any goods or services, the Purchase Price stated in this Agreement shall also include such surcharges, fines, penalties and other charges.

3. SALES AND USE TAXES AND OTHER CHARGES. Except as otherwise specified in the Purchase Order, the purchase price includes all applicable federal, state and local taxes and other charges in effect on the date hereof. In cases of new taxes or other charges or increased rates, or the repeal of taxes or other charges or reduction of rates, the prices payable under the Purchase Order shall be adjusted accordingly.

4. CHANGES IN GOODS ORDERED. Purchaser reserves the right at any time to direct changes or cause Seller to make changes to drawings, specifications, quality or quantity of the Goods and Services or to otherwise change the scope of the Goods and Services covered by any Purchase Order and Seller agrees to promptly make such changes.

5. TERMINATION OF PURCHASE ORDER. Purchaser may at its option immediately terminate all or any part of any Purchase Order at any time and for any reason by verbal notice confirmed in writing or by written notice only. In the event of such cancellation, Purchaser shall not be liable to Seller or Seller’s subcontractors or suppliers for any indirect costs, including but not limited to; loss of anticipated profit, unabsorbed overhead, product development, engineering costs, special tooling or general purpose equipment (unless such items have been specifically ordered and separately priced in the applicable Purchase Order), or general and administrative burden from termination of the Purchase Order. Purchaser may also terminate all or any part of any Purchase Order for Seller’s failure to comply with the terms of any Purchase Order or these Terms and Conditions or other default. In the event of termination for such non-compliance or default, Purchaser shall not be liable to Seller for any amount until the remaining Goods and Services have been procured by Purchaser. If the unpaid balance of the terminated Purchase Order(s) or the portion thereof in default, exceeds the expense of procuring the applicable Goods and Services, inclusive of compensation for additional managerial and administrative services and other costs and damages as Purchaser may suffer as a result of the default, then such amount shall be paid to Seller. If the expense, compensation, costs and damages incurred by Purchaser resulting from the default exceed such unpaid balance, Seller shall be liable for and shall pay the difference to Purchaser promptly on demand. Failure of Purchaser to exercise any of the rights given it under this Section 5 shall not excuse Seller from compliance with the provisions of any Purchase Order or these Terms and Conditions, nor prejudice any rights of Purchaser to recover damages for such default. Purchaser may also, by written notice of default to Seller, cancel a Purchase Order, or any part thereof, under any of the following circumstances: (a) if Seller fails to deliver any Goods or perform any Services in accordance with the Contract applicable thereto, or otherwise in accordance with any extension thereof by change order or amendment thereto; (b) if Seller so fails to make sufficient, timely progress in Purchaser’s judgment as to endanger timely performance by Seller of Seller’s obligations under any Contract; (c) if Seller fails to comply with any other provisions of any Purchase Order or these Terms and Conditions; or (d) at any time upon the insolvency of Seller or in the event of the institution of any proceeding by or against Seller in bankruptcy or insolvency or under any provisions of the Bankruptcy Act or the appointment of a receiver or trustee or any assignment for the benefit of creditors of Seller.

6. DELIVERY. Time is of the essence of the performance by Seller of each of its obligations under each Purchase Order and these Terms and Conditions. Delivery of Goods shall be F.O.B. at the location and on the date(s) specified in the applicable Purchase Order. Seller shall immediately notify Purchaser of any anticipated delay in delivery. Detailed invoices shall be mailed at the time Goods are shipped to Purchaser. Separate packing slips must be included in each shipment showing order number, quantity, part number and description of Goods therein. No shipments may be made prior to a specified delivery date unless authorized by Purchaser in advance. Purchaser reserves the right to withhold payment of invoices for Goods shipped ahead of schedule without Purchaser's prior express approval. If delivery of Goods or rendering of Services is not completed by the time promised, the Purchaser reserves the right, without liability, in addition to its other rights and remedies, to terminate the applicable Purchase Order and to purchase substitute Goods or Services elsewhere and charge Seller with any resulting loss or expenses incurred. Seller shall be responsible to reimburse Purchaser for any all damage claims or costs (including but not limited to liquidated damages) presented to Purchaser by its customers as a result of Seller's failure to comply with the terms of any Purchase Order or these Terms and Conditions. At Purchaser's option, such costs may be set off against any amounts due to Seller for any Purchase Order or for any future amount due Seller.

7. INSPECTION AND REJECTION. All Goods and Services are subject to inspection and acceptance or rejection by Purchaser. Goods or Services may at any time be rejected for defects or non-conformity revealed by inspection, analysis or by manufacturing operations and/or use after delivery, even though such Goods or Services may have previously been inspected and accepted.

Payments made by Purchaser shall not constitute acceptance of any Goods and Services. Purchaser may inspect any Goods before accepting delivery and before issuing payment. Rejected Goods may be immediately returned at Seller's expense and credit taken at the time of the return, including the cost of packaging and transportation. No Goods returned as defective may be replaced except as expressly agreed upon by Purchaser.

8. RISK OF LOSS; TITLE. Risk of loss and title to Goods shall not pass to Purchaser until such Goods are accepted by Purchaser and payment for any Goods shall not be deemed acceptance by Purchaser.

9. ON SITE WORK BY SELLER. If any of the Goods and Services required by a Purchase Order is to be performed on Purchaser's premises or on the premises of Purchaser's job site, Seller agrees that all persons performing such Goods and Services for Seller shall be deemed Seller's employees or independent contractors and not agents of Purchaser and Seller shall be solely responsible for such Goods and Services and shall indemnify Purchaser and hold it harmless against any and all claims, loss and liability arising therefrom or in connection therewith.

10. WARRANTIES / CALLBACK PERIOD

Seller warrants to Purchaser that all Goods furnished under any Purchase Order; (a) will be of new manufacture (unless specifically noted otherwise in the applicable Purchase Order), and (b) will be free from defects in design, workmanship and materials, (c) shall conform strictly to the description on the face of the applicable Purchase Order and to all drawings, specifications, processes, materials, compounds and other criteria of Purchaser, (d) will be fit for the particular purpose for which it is intended (including but not limited to dimensions, tolerances, chemical resistance and tensile strength), to the extent such purpose is set forth in the Purchase Order or otherwise, or to the extent that Purchaser should reasonably know of such purpose, (e) will be in compliance, and will have been manufactured and sold in accordance, with all applicable governmental (federal, state and local) laws, statutes, regulations, codes, ordinances and orders (collectively, "Laws") and shall bear all warnings, labels and markings required thereunder, and (f) will have been fully and successfully tested pursuant to the applicable Purchase Order.

Seller warrants to Purchaser that any Services provided under any Purchase Order; (a) will comply strictly with such Purchase Order and these Terms and Conditions, and (b) be properly performed in accordance with the highest degree of skill and care for the applicable industry standards and practices then prevailing at the time the respective Purchase Order is issued, or, if higher, at the time such Services are performed.

If any Goods do not comply with the foregoing warranties, or becomes noncompliant or defective within a period of one (1) year, or such longer period as specified in the applicable Purchase Order, after delivery and acceptance by Purchaser, then Seller shall, at its sole expense, promptly correct by repair or replacement, any defective or non-conforming Goods. The decision whether to repair or replace shall be made solely by Purchaser and such repair or replacement shall be scheduled consistent with Purchaser's or its customer's operating and scheduling requirements so as to minimize loss of production or use of the applicable Goods or of any plant or equipment of which the Goods is a part. All costs and expenses associated with access to, repair or replacement of such Goods, including, but not limited to, additional legal or engineering activities, packing, unpacking, examination, salvage, transportation, testing, re-shipping and any other incidental damages relating thereto shall be paid by Seller. The callback period for any repaired or replaced Goods shall be extended to one (1) year from the date of delivery and acceptance by Purchaser of the repaired or replaced Goods or for the duration of the unused callback period if such period is longer.

If any of the Services do not comply with the foregoing warranties or become noncompliant or defective within a period of one (1) year, or such longer period as specified in the applicable Purchase Order, after completion and acceptance by Purchaser, then Seller shall, at its sole expense, promptly re-perform the nonconforming Services and repair or replace any Goods, equipment and material damaged or otherwise adversely affected thereby. All such re-performed Services shall be performed on a schedule to be agreed upon by Purchaser. The warranty for any such re-performed Services shall be extended to one (1) year from completion and acceptance by Purchaser of such re-performed Services or for the duration of the unused callback period if such period is longer.

Purchaser's inspection, testing, acceptance, payment, or use of any of the Goods and Services provided by Seller under any Purchase Order shall not constitute a waiver by Purchaser of any warranties and shall not affect the warranties and obligations of Seller under these Terms and Conditions or any Purchase Order.

In the event of Seller's failure to repair or replace or re-perform any of the non-conforming Goods and Services, or to otherwise correct defaults in accordance with any of these Terms and Conditions or the applicable Purchase Order, Purchaser, after written notice to Seller, may correct any such deficiencies, or may purchase the replacement thereof. Purchaser may either invoice Seller for the cost of correcting the non-conforming Goods or Services, including the costs directly attributable to other services that are required to be performed in connection with the correction of such non-

conformity, additional legal or engineering expense, salvage costs, testing expense and other incidental damages relating thereto, or deduct such costs from any payments due or subsequently due Seller.

If and whenever a latent defect, that is, a defect which exists in any Goods or Services that was not and would not normally be revealed, discovered, or located before the end of the warranty period by a reasonable inspection becomes apparent, Purchaser shall, as promptly as practical, notify Seller and Seller shall promptly correct such non-conforming Goods or Services, re-performing, repairing or replacing the defective portion of the Goods or Services at Seller's expense and in accordance with the applicable Purchase Order and these Terms and Conditions.

Seller shall exercise all reasonable efforts to obtain warranties at least as long as Seller's warranty period against defects in design, materials and workmanship from every manufacturer or supplier furnishing material, equipment, appliances or other products for the Goods or Services. All such manufacturer or supplier warranties, including those which extend beyond Seller's warranty period, shall be assigned to Purchaser or its customer, as the case may be. Seller shall allow Purchaser or its customer to make claim under, and shall assign to Purchaser or its customer Purchaser's request, any such warranties during the term of Seller's warranty obligations under the Contract. The existence and terms of, or Purchaser's exercise of any rights under, any manufacturer or supplier warranty shall in no way limit the Seller's warranty obligations under the Contract.

These warranties shall survive Purchaser's inspection and shall pass to Purchaser and to any of Purchaser's customers or users of the Goods and Services. No term in any document or instrument of Seller that purports to disclaim any implied warranty of merchantability, fitness for a particular purpose or any other warranty, or that purports to disclaim liability for Seller's negligence, shall be effective against Purchaser. If requested by Purchaser, Seller will permit Purchaser's representatives to inspect Seller's manufacturing process during the completion of any Purchase Order to determine compliance, but no such inspection by Purchaser's representative shall relieve Seller from complying with the terms of any Purchase Order or these Terms and Conditions.

11. NONCONFORMING GOODS. To the extent Purchaser rejects Goods as nonconforming, the quantities of the applicable Purchase Order may be reduced, at Purchaser's option. Nonconforming Goods will be held by Purchaser for disposition at Seller's risk. Seller's failure to provide written instructions within ten (10) days or such shorter period as may be commercially reasonable under the circumstances after notice of non-conformity, shall entitle Purchaser at Purchaser's option, to charge Seller for storage and handling or to dispose of the Goods without liability to Purchaser. Payment for nonconforming Goods shall not constitute an acceptance thereof limit or impair Purchaser's right to assert any legal or equitable remedy or relieve Seller's responsibility for latent defects.

12. GENERAL INDEMNIFICATION. To the fullest extent permitted by applicable Laws, Seller agrees to indemnify, defend, and hold harmless Purchaser, its affiliates, and their respective directors, officers, employees and agents (the "Indemnified Parties" or, individually, "Indemnified Party") from and against all claims, demands, causes of action, losses, costs and expenses (including without limitation reasonable attorneys' fees and costs of defense) (collectively, "Losses") arising out of or incident to Seller's performance of any Purchase Order or these Terms and Conditions, or the presence of Seller, its employees, agents, subcontractors or invitees, on Purchaser's or its customer's premises, provided that such Losses are attributable to (a) the negligence (strict or otherwise) or misconduct of Seller, its employees, agents, subcontractors (of any tier), or invitees, (b) the failure of the Seller, its employees, agents, subcontractors (of any tier), or invitees, to comply with applicable Laws, or (c) bodily injury, sickness, disease or death (including but not limited to bodily injury, sickness, disease or death of the employees or any subcontractors (of any tier) of Seller or Purchaser), or to damage to or destruction of tangible property; in each case regardless of whether or not caused in part by the negligence or other fault of any Indemnified Party hereunder; provided that Seller shall not be liable for Losses caused by the sole negligence or willful misconduct of any Indemnified Party. Seller's indemnification obligations under this Section 12 shall not be limited by applicable Workers' Compensation or other disability or employee benefit Laws and, solely as respects the indemnities set forth in this Section, Seller hereby expressly waives any rights it may have to assert any immunities or defenses that it may have under such Laws against any Indemnified Party. Seller assumes all risk and liability for all of or damage to Purchaser's property in its custody or control, except for normal wear and tear, and shall insure such property at its own expense for an amount at least equal to the replacement cost thereof.

13. PATENTS, INDEMNIFICATION AND LICENSE. Seller agrees, at its expense, to defend any suit against Purchaser for alleged infringement of patent or invention rights arising from the sale or use of any Goods or Services and to indemnify and save Purchaser harmless from any damages, or expenses of any nature whatsoever, paid or incurred by Purchaser (or its customers) in connection with any such suit; provided, however, that this indemnity shall not apply to any such damages or expenses arising out of compliance by Seller with specifications furnished by Purchaser. Seller, as part consideration for each Purchase Order and without further cost to Purchaser, hereby grants and agrees to grant to Purchaser an irrevocable non-exclusive royalty-free right and license to use, sell, manufacture and repair products embodying any and all inventions and discoveries made, conceived or actually reduced to practice, in connection with Seller's performance of each such Purchase Order.

14. CONFIDENTIALITY. All Purchaser's specifications, documents, drawings, sketches, prototypes, are delivered solely for the purpose of Seller's performance under the Purchase Order applicable thereto and on the express condition that neither they nor the information contained therein will be disclosed to others or used for any purpose other than in connection with orders from Purchaser, without the prior express written consent of Purchaser. Such items are to be returned to Purchaser promptly upon its written request. The obligations under this Section shall survive the cancellation, termination or completion of any Purchase Order. Seller shall be obligated to Purchaser and its customer(s) with respect to this Section, to same extent that Purchaser is obligated to its customer(s) by contract, agreement or otherwise.

15. COMPLIANCE WITH LAWS. Seller agrees, in connection with the production and delivery of the Goods specified herein and the Services performed hereunder, to comply (and to cause its employees, agents, subcontractors (of any tier) and invitees to comply) with all applicable Laws, and agrees to indemnify Purchaser against any loss, cost, liability, or damage by reason of Seller's violation of this Section.

16. REMEDIES. In the event any Purchase Order or these Terms and Conditions is not complied with in any respect, Purchaser may exercise any one or more of the following remedies: (a) cancel any Purchase Order or any portion thereof; (b) require replacement of the Goods; (c) recover all loss, damage and expense resulting from such failure by set-off or otherwise; (d) return excess or early deliveries to Seller at Seller's expense; (e) require expedited delivery or acceleration of performance by any means necessary; and (f) exercise any other remedy available at law or in equity.

Seller shall pay or otherwise be liable for any and all transportation, labor and/or other expense incurred in connection with the foregoing, including, without limitation, Purchaser's attorneys' fees, costs and other charges incurred in connection with Purchaser's exercise of Purchaser's remedies. Seller shall indemnify Purchaser and hold it harmless from any and all claims, loss or liability of any kind, including attorneys' fees, costs and other charges for (i) alleged or actual infringement of any trademark, trade name or copyright or for claims of unfair competition by the Goods or any use thereof by Purchaser, its customers or its users; (ii) Seller's negligence in the performance of Seller's obligations under any Purchase Order or these Terms and Conditions, or (iii) alleged or actual violation by Seller of any applicable Laws relating to the manufacturing, packaging, labeling or sale of any Goods including without limitation, the Fair Labor Standards Act of 1938 and the Federal Occupational Safety and Health Act of 1970. No term of any document or instrument of Seller shall be effective against Purchaser that purports to alter Seller's responsibility for Seller's negligence, to reduce the period of limitation in which actions may be brought by Purchaser or to require arbitration, or to waive Purchaser's defenses or rights to set-off against Seller or any assignee of Seller. In addition to any remedies listed in these Terms and Conditions or any Purchase Order, Purchaser shall also have all remedies available to it under the Uniform Commercial Code as adopted by the State of Tennessee. Each of the rights and remedies herein reserved to Purchaser shall be cumulative and in addition to any other or further rights or remedies provided or available in law or equity or in these Terms and Conditions or any Purchase Order.

17. INSURANCE. Seller shall maintain such public liability, property damage and workers' compensation insurance as may be necessary to indemnify Purchaser and hold it harmless in accordance with the requirements of these Terms and Conditions and each Purchase Order and otherwise which is acceptable to Purchaser in form and substance and by insurers acceptable to Purchaser. Upon Purchaser's request, Seller agrees to submit to Purchaser certificates of insurance evidencing such insurance coverage, which certificates shall be in form and substance satisfactory to Purchaser and which shall name Purchaser and its designees as an additional named insured, provide that Purchaser shall receive not less than thirty (30) days' notice of cancellation, nonrenewal or modification and waive rights of subrogation in favor of Purchaser and its designees.

18. PURCHASER'S PROPERTY; PURCHASER SUPPLIED MATERIAL. All drawings, special tools, dies, patterns, jigs and fixtures supplied by Purchaser or paid for by Purchaser shall remain Purchaser's property. Seller shall at Seller's expense maintain all of Purchaser's property in Seller's possession in good condition and repair and keep it adequately insured. Seller will promptly comply with all disposal and shipping instructions furnished by Purchaser. Until such instructions are complied with, such drawings, special tools, dies, patterns, jigs and fixtures shall be used by Seller only for the manufacture or production of Purchaser's Goods and shall be kept confidential. Purchaser's supplying property to Seller for Seller's use in performance under any Purchase Order shall not limit in any way Seller's obligation to provide conforming Goods.

Purchaser supplied material shall remain the property of Purchaser at all times. Purchaser reserves the right to require Seller to execute UCC (Uniform Commercial Code) forms, or bailment agreements to protect its interest in the material supplied. Seller shall be responsible for any damage to Purchaser's property while in Seller's possession, regardless of cause, including theft, weather damage, processing damage, errors or otherwise.

19. ASSIGNMENT AND SUBCONTRACTING. Seller will not assign or subcontract (in whole or in part) any Purchase Order or these Terms and Conditions without Purchaser's prior written consent in each instance.

20. RELATIONSHIP OF THE PARTIES. Seller and Purchaser are independent contracting parties and nothing in any Purchase Order or these Terms and Conditions shall make either party the agent or legal representative of the other for any purpose whatsoever, nor does it grant either party any authority to assume or to create any obligation on behalf of or in the name of the other.

21. FORCE MAJEURE. Purchaser may delay or be excused from timely performance of its obligations under any Purchase Order or these Terms and Conditions if Purchaser's failure to perform in a timely manner was caused by an Act of God or similar causes beyond its reasonable control.

22. HAZARD INFORMATION. Seller will provide Purchaser with a copy of all appropriate MATERIAL SAFETY DATA SHEETS (MSDS) with Seller's initial shipment to Purchaser, and with the first shipment after an MSDS that is updated for any reason, including a change in processes or material of the Goods being sold.

23. TOXIC SUBSTANCES. Seller warrants that each and every chemical substance transferred to Purchaser in connection with any Purchase Order is at the time of such transfer on the lists of chemical substances compiled and published by the administrator of the Environmental Protection Agency pursuant to the Toxic Substance Control Act and the regulations promulgated under it. If the status of any such substance on such lists is changed in any respect, Seller shall immediately notify Purchaser of such change in writing.

24. GOVERNING LAW; AMENDMENT OR MODIFICATION; WAIVER; JURISDICTION AND VENUE. These Terms and Conditions and each Purchase Order and the contract arising from it shall be governed by the Laws of the State of Tennessee. These Terms and Conditions and any Purchase Order and any contract arising from it cannot be amended or modified unless done so in writing and signed by Purchaser. Purchaser's waiver or failure to exercise any right or remedy under these Terms and Conditions or any Purchase Order on any one occasion shall not be construed as a waiver of any right or remedy which Purchaser would otherwise have on a future occasion. All judicial proceedings hereunder or with respect to any Purchase Order shall be brought in the courts with jurisdiction over and sitting in Knox County, Tennessee. Seller and Purchaser agree to such jurisdiction and venue and submit themselves to jurisdiction of such courts, hereby waiving any claim about inconvenient forum or other procedural restrictions or impediments to the jurisdiction of said courts.