

John R Bromiley Company Inc.
Terms and Conditions for
Quotations and Proposals

1. ACCEPTANCE - All purchase orders and/or contracts are subject to acceptance by John R. Bromiley, Inc. ("Bromiley")

2. CANCELLATIONS - Purchase orders may be canceled or deliveries deferred by Buyer provided Buyer makes payment for all work completed and in process. Such work shall include, but not be limited to, charges for raw materials, unamortized tooling, engineering, handling, overhead, and production costs. Such charges to be determined at time of cancellation or deferment. Bromiley may cancel a purchase order or contract at anytime without penalty if it is unable to meet the requirements of the purchase order or contract.

3. DELIVERY/SHIPMENTS - "Best commercial practice" packaging is standard. Buyer shall bear the expense of all other packaging. All shipments will be FOB Bromiley's loading dock. All shipments will be made in accordance with Buyer's instructions and at Buyer's cost. If Buyer fails to specify a mode of shipment, Bromiley will select the mode which provides the lowest reasonable transportation cost.

4. TAXES - All sale and/or use taxes, custom duties or any other taxes imposed by Federal, state, county or municipal authority upon Bromiley's transfer and delivery of goods hereunder shall be paid by the Buyer.

5. PAYMENT TERMS - All sales, if on credit, are net 30 days from date of shipment, unless otherwise specified on invoice. **In the event Buyer fails to make full payment within such 30 day period, the unpaid balance of the invoice shall bear interest at the rate of 1.5% for each full or partial month such invoice remains unpaid for which Buyer will be liable.** In the event Bromiley incurs any expense collecting a past due invoice, Buyer shall pay for all collection costs, including attorney's fees and court costs, if any, incurred in collection.

6. SPECIFICATION - Buyer agrees to provide Bromiley with an original copy of all required specifications. Bromiley's obligations hereunder shall not commence until Buyer has provided Bromiley with a clear original copy of all specifications. If the Buyer fails to provide a clear original copy of all specifications, Bromiley shall be released from responsibility for any product manufactured that does not meet the specifications.

7. INSPECTION - Unless otherwise specified and agreed to Bromiley will list final inspections based upon first piece and in-process inspections. A visual inspection is performed for completeness and final acceptance.

8. CLAIMS - In the event the goods shipped pursuant to a purchase order or contracts are missing, Buyer must notify Bromiley within 3 days of receipt of shipment. The original packaging, including exterior cartons, must be saved so that Bromiley can make a claim with the carrier. In the event Buyer believes goods delivered pursuant to a purchase order or contract are defective, Buyer shall immediately notify Bromiley of the defect and Bromiley will repair or replace the goods after it determines that the goods are defective. Charges for repair or inspection of parts by Buyer, without prior written authorization, will not be honored. Claims will not be honored on those goods further processed by Buyer if such processing results in a change of dimensions or characteristics in the goods.

9. TOOLING - Tools, dies, gages, fixtures are an integral part of the manufacturing process and included in engineering charges. As a proprietary item, payment by the Buyer of engineering charges, whether separately quoted or not, does not convey ownership such items. Such items are not considered "works made for hire."

10. INTELLECTUAL PROPERTY - The goods hereunder are manufactured in accordance with the Buyer's specification and design. Buyer agrees: (a) to defend, hold harmless and indemnify Bromiley, its successors and assigns against all claims, demands, losses, suits, damages, liability and expenses (including reasonable attorney fees) arising out of any suit, claim or action for actual or alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark, copyright or mask work right by reason manufacture, use or sale of the goods or services ordered, including infringement arising out of compliance with specifications furnished by the Buyer, or for actual or alleged misuse or misappropriation of a trade secret resulting directly or indirectly from Buyer's actions; and (b) to waive any claim against Bromiley under the Uniform Commercial Code or otherwise, including any hold harmless or similar claim, in any way related to a claim asserted against Bromiley or Buyer for patent, trademark, copyright or mask work right infringement or the like, including

claims arising out of compliance with specifications furnished by Buyer.

11. WARRANTY - Bromiley warrants that goods manufactured by it will conform to the drawings and specification furnished by Buyer. Where products are used and combined with other equipment or components not furnished by Bromiley or further processed by the Buyer, Buyer agrees to indemnify seller for all claims and expenses resulting from the use or inclusion in Buyer's products. In no event will Bromiley be liable for consequential or special damages arising from any defect or use of its goods. Bromiley's liability under this warranty shall be limited to the value of the purchase order or contract.

There are no other warranties, expressed or implied, either of merchantability or fitness for purpose.

12. FORCE MAJEURE - Any delay or failure of Bromiley to perform its obligations hereunder shall be excused if, and to the extent that it is caused by an event or occurrence beyond the reasonable control of Bromiley and without its fault or negligence, such as, by way of example and not by way of limitations, acts of God, actions by government authority (whether valid or invalid), fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, labor problems (including lockouts, strikes and slowdowns), inability to obtain power, material, labor, equipment or transportation, or court injunction or order.

13. GOVERNING LAW - This agreement is to be governed by the laws of the Commonwealth of Pennsylvania to the exclusion of the law of any other forum and without regard to jurisdiction in which any action or special proceeding may be instituted.

14. COMPLETE CONTRACT - This agreement contains the entire agreement between Buyer and Bromiley and supersedes any prior understandings or written or oral agreements.

15. AMENDMENT - No amendment or modification hereof shall be of any force and effect unless in writing and signed by the party claimed to be bound thereby, and no amendment or modification shall be effected by an acknowledgment or acceptance by Bromiley of a purchase order from Buyer containing any different terms and conditions. In the event such new terms and conditions are inconsistent with these terms and conditions, these terms and conditions shall govern any such inconsistencies.

16. WAIVER - A waiver of any of these terms or conditions shall not operate as or be construed to be a continuing waiver and shall only apply to the quotation containing such waiver.

17. RISK ASSESSMENT – There is no risk assessment needed due to technology and delivery of standard machine parts.