

Westmont Industries

Standard Purchase Order Terms and Conditions

1. Definitions: The term "Buyer" shall mean Westmont Industries or its applicable affiliate or division, as designated on a purchase order. The term "Seller" shall mean the person or entity from whom goods or services are being ordered.
2. Acceptance of Order: Buyer shall not be bound by its purchase order unless and until Seller executes and Buyer receives the Acknowledgement copy of the purchase order. The offer is subject to revocation by Buyer at any time prior to receipt by Buyer of Seller's acceptance. Acceptance of the offer is expressly limited to and conditioned upon acceptance of all the terms and conditions stated in Buyer's purchase order in their entirety without modification. Seller is hereby notified of Buyer's rejection of any additional or different terms stated by Seller in accepting or acknowledging the purchase order, and such terms are hereby deemed to be mere proposals of material alterations and shall not be binding unless accepted separately in writing by Buyer. Buyer's subsequent lack of objection to any such additional or different terms or Buyer's acceptance of the goods or services ordered by its purchase order shall not constitute nor shall be deemed to constitute conduct indicating an acceptance by Buyer of any such additional or different terms proposed by Seller, as Seller has been notified hereby of Buyer's objection to all such additional or different terms.
3. Contract: Buyer's offer, when properly signed by an authorized Buyer and accepted by Seller, constitutes the entire agreement between Buyer and Seller relating to the purchase of the goods or services ordered and supersedes all previous written, oral, or other formats of communications and negotiations between the parties. Buyer's purchase order is the only form which will be recognized by Buyer as authority for charging goods or services to its account. All written or oral orders, including direction, instruction, interpretation, or determination from the Buyer that causes a change shall be treated as a change order under this clause; provided, that the Seller gives the buyer written notice stating (1) the date, circumstances, and source of the order and (2) that the Seller regards the order as a change order.
4. Price and charge: Seller warrants that the prices for the goods sold are not less favorable than those currently extended to any other customer for the same or similar goods in similar quantities. In the event Seller reduces its price for such goods during the term of this order, Seller agrees to reduce the prices here of correspondingly. Seller warrants that prices shown on this purchase order shall be complete, and no additional charges of any type shall be added without receiving a change order from Purchaser.
5. Shipment: Delivery dates are firm and time is of the essence in this contract. Seller will promptly notify Buyer in writing if Seller anticipates difficulty in complying with a required delivery date and will use all commercially reasonable efforts to meet the required delivery date. Buyer has no obligation to accept deliveries that are not made on the required delivery date. If Seller fails to meet a required delivery date, Buyer may procure replacement products or services. Seller will be responsible for all costs incurred by Buyer as a result of early or late deliveries. Buyer reserves the right to request for a "Notice of Shipment" from Seller, which shall state the number of the order, the kind and amount of goods, and the route by which the shipment is being made. All goods shall be suitably packed to prevent damage, marked and shipped by Seller in accordance with shipping instructions specified herein and the

requirements of common carriers in a manner to secure the lowest transportation costs. Seller shall be liable to Buyer for any difference in freight charges or damages to goods arising from its failure to comply with contractual agreement. Buyer and Seller mutually agree to reasonably assist each other in obtaining documents and other information necessary for the prosecution of claims against carriers.

6. Taxes: Unless otherwise provided in the purchase order or required by law, Seller assumes exclusive liability for, and shall pay before delinquency, all sales, use, excise, VAT and other direct or indirect taxes, charges, penalties or contributions of any kind now or hereafter imposed or with respect to, or measured by the articles sold or material or work furnished hereunder, or by the wages, salaries, or other remunerations paid to persons employed in connection with the performance or fulfillment of the order.

7. Risk of Loss: Title to and risk for any and all loss or damage to goods covered by Buyer's order shall remain with Seller until actual delivery to Buyer at the destination point designated on the order, subject to the right of Buyer to reject the goods upon inspection or as otherwise provided for by the California Uniform Commercial Code.

8. Inspection: All goods are subject to inspection by Buyer in its discretion prior to acceptance within a reasonable time after arrival at the destination designated on the purchase order. If upon inspection any goods are found by Buyer to be unsatisfactory, defective, or of inferior quality or workmanship, or fails to meet the specifications, warranties or other requirements of the order, Buyer may return such goods to Seller at Seller's sole risk and expense and Seller agrees to accept delivery of all such returned goods. All services shall be performed in a professional manner to Buyer's full satisfaction. Full or partial payment for goods or services prior to inspection shall not constitute an acceptance of unsatisfactory or defective goods or services or a waiver of any Buyer's rights hereunder.

9. Entry; Audit and Inspection: Seller agrees that its facilities, books, and records so far as they relate to the performance of any Buyer order, or costs incurred under an order, shall at all practical times be subject to review, inspection and audit by any authorized representative of Buyer, and, in the event that the order is placed under government contact or the order relates to aircraft or engines of The Boeing Company or its affiliates, any authorized representative of the United States government or Boeing, as applicable, shall also have the same rights of entry, audit and inspection as provided herein.

10. Warranties: All goods and services purchased under a Buyer purchase order shall be free from all defects in workmanship and materials, shall conform to all specifications and shall be subject to all express warranties made with respect thereto by Seller's agents and representatives, whether orally or in writing, and to all warranties, express, implied or statutory, provided for by the California Uniform Commercial Code including, without limitation, those for goods set forth in Sections 2312-2315 thereof, which warranties are a basis for and material part of the order. Such warranty shall be in addition to any standard warranty or service guarantee given to Buyer by Seller. All warranties and service guarantees shall run both to Buyer and to its customers. Seller expressly warrants that the goods or services will conform to the descriptions specified on the order and all warranties stated herein are in addition to any other warranty or service guaranty, whether express or implied, given by Seller or otherwise provided by law. No subsequent course of dealing or performance between the parties hereto shall operate to exclude or adversely modify any of the foregoing warranties.

11. Title: Seller warrants and represents that all merchandise purchased by Buyer under a Buyer purchase order is free and clear of all security interests, liens and encumbrances, and that Seller has good and merchantable title thereto and is not restricted in any manner from transferring clean title and ownership to Buyer.

12. Compliance with Laws: Seller warrants and represents that Seller shall comply with all State, Federal, foreign and local laws, rules and regulations applicable in any manner to the Buyer's order, including, without limitation, the purchase, manufacture, processing and delivery of the goods and services, including, without limiting, all applicable requirements of the Fair Labor Standards Act, as amended (including all regulations and orders of the Department of Labor issued thereunder), all applicable requirements of the Occupational Safety and Health Act of 1970 (including all regulations issued thereunder) and all applicable provisions of Executive Order 11246, as amended (Equal Opportunity) and any subsequent Executive orders relating to equal opportunity for employment or government contracts, and all rules and regulations issued pursuant to such orders and regulations.

13. Changes: Buyer shall have the right to make changes to its order at any time prior to a delivery. If such changes affect Seller's cost of performance, Seller shall notify Buyer immediately and within 14 days submit a detailed cost breakdown comparing original drawings or conditions and costs. The parties will then agree upon a reasonable adjustment in price. If any such change affects delivery, Seller will so advise Buyer immediately, outlining in detail reasons for modifications to the established schedule. However, nothing in this clause shall excuse Seller from proceeding with the order as changed.

14. Termination: Buyer may terminate any order for its convenience, in whole or in part, by written notice to Buyer at any time, including via facsimile or electronic mail. If the order is terminated by Buyer for convenience, any claim of Seller shall be limited to the reasonable direct costs, which shall not exceed the total price set forth in the order for such cancelled goods. In the event Seller fails to deliver the goods as ordered on the applicable delivery date(s) specified on the order, Buyer may at its option either deem such failure to be a breach and cancel the order or the undelivered part thereof, or extend the time for delivery. In the event of Seller's default under any of the terms of the order, including Seller's warranties, or in the event Seller shall become insolvent, or if a petition in bankruptcy or insolvency is filed by or against Seller under any state or federal or foreign law, Buyer may at its option and without prejudice to any other rights and remedies provided by law cancel the order with respect to any undelivered goods. Buyer's right of termination shall not be limited by any terms or conditions proposed by Seller and shall not be subject to arbitration.

15. Tools, Materials and Data: Seller shall keep confidential all technical or proprietary information, pricing and customer lists and the features of all parts, equipment, tools, molds, gauges, and patterns furnished or disclosed or made available to Seller by Buyer in connection with any order. No designs, tools, molds, patterns, jigs, dies, or drawings supplied by Buyer to Seller for use in the manufacture of goods ordered hereby shall be used for any other purpose, including in the production, manufacture or design of any goods for any other purchase or for the manufacture or production of larger quantities than those specified, except with the prior consent in writing of Buyer. At the termination or completion of an order, any designs, tools, molds, patterns, jigs, dies, drawings and materials supplied by Buyer shall be segregated by Seller in Seller's plant, whenever possible clearly marked so as to be easily identified as Buyer's property, and kept in good condition pending prompt return to Buyer when requested. If Buyer furnishes materials, title to such material in all stages of construction shall be and remain in Buyer. Any

property supplied to Seller shall be returned in as good condition as when received, except for reasonable wear and tear or for utilization of property in accordance with the provisions hereof. If Buyer pays for any tooling or tooling design, then Buyer retains all rights and title to such tooling or tooling design.

16. Patents, Trademarks and Copyrights: Seller warrants that the sale or use of the goods covered by Buyer's purchase order will not infringe or contribute to the infringement of any patents, copyrights, trademarks or other intellectual property rights in the United States or any foreign countries. Seller shall indemnify and hold Buyer and its officers, agents, employees and affiliates harmless from and against any and all losses, costs, damages, awards, settlements and judgments, including attorneys' fees and other costs (including expert witness fees), incurred in defending or settling or otherwise resulting from any action arising from the breach of this warranty, and if Buyer elects, Seller shall defend Buyer and its officers, agents, employees and affiliates from any such claim or suit and pay all costs and expenses incidental thereto; provided, however, that Buyer shall have the right, at its sole option, to participate in the defense of any such suit or claim without relieving Seller of its obligations hereunder.

17. Indemnity: Seller shall indemnify and hold Buyer, its officers, agents, employees and affiliates, harmless of and from any and all claims, actions, liabilities, damages, judgments, awards, suits, losses and expenses, including attorneys' fees and all other costs of suit (including expert witness fees), arising from injury or death to persons or damage to property due to alleged or actual defects in material or workmanship of the goods ordered or in Seller's execution of the order, including Buyer's liability, if any, to any owner, contractor, or subcontractor, as the case may be, under any contract between Buyer and such party in the performance of which Buyer has given the order. In the event Seller shall deliver or install material purchased hereunder, Seller shall defend and indemnify Buyer against and from all claims and expenses, including attorneys' fees and all other costs of suit (including expert witness fees), arising out of or in any way connected with the acts or omissions of Seller (or anyone acting on its behalf) in connection with such delivery or installation, including any claim arising in connection with the use by Seller (or anyone acting on its behalf) of equipment or materials furnished or owned by Buyer. Seller shall maintain adequate insurance to cover all potential claims made under this section.

18. Contingencies: Buyer shall not be liable for any failure to take delivery of the goods or permit performance of work as provided herein which is caused by circumstances beyond its reasonable control which make such performance commercially impractical, including without limitation acts of God, fire, flood, war, governmental action, accident, labor difficulties or shortage, loss of electricity, or inability to obtain material, equipment, or transportation.

19. Governing Law: Buyer's order and any contract formed hereunder shall be construed and interpreted in accordance with the internal laws of the State of California, including the California Uniform Commercial Code, and excluding conflicts of law provisions thereof.

20. Jurisdiction and Venue: Any action or proceeding related in any way to an order, its interpretation or enforcement, or the goods ordered thereby shall be brought exclusively in the federal or state courts located in Los Angeles County, California. The aforementioned choice of venue is intended by the parties to be mandatory and not permissive in nature, thereby precluding the possibility of litigation between the parties with respect to or arising out of the order in any jurisdiction other than those specified in this section. Each party hereby waives any right it may have to assert the doctrine of forum non conveniens or similar doctrine or to object to venue with respect to any proceeding brought in accordance with this

section, and stipulates that the Federal or state courts located in the Los Angeles County, California shall have in personal jurisdiction and venue over each of them.

21. Blanket Purchase Orders: In the event that Buyer issues a blanket purchase order to Seller, Buyer shall have no liabilities or obligations to Seller of any kind for actions taken or costs incurred by Seller in reliance on such blanket order, other than to accept goods specifically identified by Buyer for purchase in individual written releases issued by Buyer from time to time under such blanket order. All annual and other forecasts of expected purchases received from Buyer are non-binding, unenforceable estimates only, may vary, and should not be relied upon by Seller in any manner, unless specific inventory requirement was agreed by both Buyer and Seller for Buyer's liable cost.