



STANDARD TERMS AND CONDITIONS OF PURCHASE
-ORSCHELN PRODUCTS LLC-
-FELSTED PRODUCTS LLC- QUALICO PRECISION PRODUCTS LLC-

1. Seller shall be deemed to have accepted this Purchase Order upon (a) Seller's signing and returning to ORSCHELN PRODUCTS LLC or FELSTED PRODUCTS LLC or QUALICO PRECISION PRODUCTS LLC (hereinafter each respectively referred to as PURCHASER) the acknowledgment copy of this Purchase Order or (b) Seller's shipment of any of the goods subject to this Purchase Order, whichever occurs first. Any acceptance of this Purchase Order is limited to acceptance of the express terms of the offer contained on the face and back hereof. Any proposal for additional or different terms or any attempt by Seller to vary in any degree any of the terms of this offer in Seller's acceptance is hereby objected to and rejected, but such proposals shall not operate as a rejection of this offer unless such variances are in the terms of the description, quantity, price or delivery schedule of the goods, but shall be deemed a material alteration thereof, and this offer shall be deemed accepted by Seller without said additional or different terms. If this Purchase Order shall be deemed an acceptance of a prior offer by Seller, such acceptance is limited to the express terms contained on the face and on the back hereof. Additional or different terms or any attempt by Seller to vary in any degree any of the terms of this Purchase Order shall be deemed material and are hereby objected to and rejected, but this Purchase Order shall not operate as a rejection of Seller's offer unless it contains variations in the terms of the description, quantity, price or delivery schedule of the goods.

2. Seller expressly warrants that all goods purchased and delivered hereunder shall be merchantable in the trade as goods strictly of the kind and quality described on the face hereof, shall be of good quality and free from defects, shall be safe for their intended use and shall conform to the specifications established on the face hereof. If Seller has reason to know the particular purpose for which PURCHASER intends to use the goods, Seller warrants that such goods will be fit for such particular purpose. Seller warrants that the prices for the goods sold to PURCHASER under this Purchase Order are not less favorable than those currently extended to any other customer for the same or like goods in equal or less quantities. In the event Seller reduces its price for such goods during the term of this Purchase Order, Seller agrees to reduce the prices hereof correspondingly. Seller warrants that it has good and marketable title to all goods provided under this Purchase Order and that such goods are free of any security interests, liens and other encumbrances. Seller warrants that the goods furnished hereunder will conform in all respects to samples provided to PURCHASER by Seller but any such samples shall not be deemed to diminish any other warranty of Seller hereunder. Inspection, acceptance or use of the goods furnished hereunder shall not affect Seller's obligations under any warranty hereunder, and all express or implied warranties of Seller, shall survive any such inspection, acceptance and use. All of Seller's warranties shall run to PURCHASER, its successors, affiliates, transferees and assigns, and Seller expressly permits PURCHASER's assignment of its warranties to such persons. Notwithstanding any language in Seller's forms, these warranties shall control insofar as the same may conflict with any warranty or limitation on warranty set forth in Seller's forms. All express warranties contained herein are in addition to, and not in limitation of, any other express or implied warranties made or deemed made by Seller. At PURCHASER's option and not in limitation of any other right or remedy of PURCHASER, Seller shall at Seller's expense repair or replace the goods or refund the full purchase price for any goods for which a breach of warranty exists. Seller shall also be liable for all expenses and damages, including, but not limited to, shipping, receiving and storage costs of PURCHASER and all other incidental and consequential damages of PURCHASER for any breach of warranty.

3. Seller agrees to protect, defend, hold harmless and indemnify PURCHASER, its agents, servants, employees, officers, directors, affiliates, transferees, customers, successors and assigns ("PURCHASER's Indemnitee") from and against any and all claims, actions, liabilities, losses, costs and expenses arising out of any actual or alleged infringements of any patent, trademark or copyright by any goods sold to PURCHASER and/or PURCHASER's Indemnitee hereunder or arising out of any death or any actual or alleged injury to any person, damage to any property, or any other damage or loss by whomsoever suffered, resulting or claimed to result in whole or in part from any actual or alleged defects in such goods, whether latent or patent, including actual or alleged improper construction or design of said goods or the failure of said goods to comply with specifications or with any express or implied warranties of Seller, or arising out of any actual or alleged violation by such goods, or its manufacture, possession, use or sale, of any law, statute or ordinance or any governmental or administrative order, rule or regulation. These agreements and obligations of the Seller shall not be affected or limited in any way by PURCHASER's extension of express or implied warranties to its customers. The foregoing agreement to indemnify and defend, and hold PURCHASER and PURCHASER's Indemnitee harmless, shall include indemnification for all fines, costs, and expenses, including reasonable attorney's fees, incurred by PURCHASER and/or PURCHASER's Indemnitee in connection with or as a result of any such demand, action, suit, claim, or proceeding, whether meritorious or not. PURCHASER reserves the right to participate fully in any defense at its own expense with counsel of its own choosing.

4. Seller agrees to maintain such insurance as will protect Seller, PURCHASER and PURCHASER's Indemnitee from any and all claims for personal injury (including death) and property damage, which may be made by or on behalf of customers of PURCHASER or the general public and which are based on the subject matter of the contract evidenced by this Purchase Order. Upon PURCHASER's request, Seller shall promptly provide PURCHASER with evidence satisfactory to PURCHASER of all such insurance coverage. To the extent any of Seller's insurance benefits may cover or apply to any claim within Seller's indemnity, under this Purchase Order, and Seller for any reason fails in PURCHASER's opinion to fully assert such rights, then Seller does hereby irrevocably appoint PURCHASER as Seller's attorney-in-fact, to act in Seller's name, place and stead, to demand, sue for, assign, collect and receive all insurance or other third-party benefits which may relate to such claim and to take any other action and execute any documents which PURCHASER may consider necessary or appropriate in connection therewith. This power of attorney is coupled with an interest and Seller shall take such actions and execute such documents requested by PURCHASER to effectuate the purposes of this provision.

5. If PURCHASER furnishes specifications to Seller regarding the goods the subject hereof, PURCHASER shall not be required to hold Seller harmless against any claim of any third person by way of infringement or the like which arises out of compliance with such specifications.

6. Payment for the goods delivered hereunder shall not constitute acceptance of the goods nor shall tender of payment be a condition to Seller's duty to tender and complete any delivery required hereunder. PURCHASER shall have the right to inspect the goods before or after payment (without regard to the manner of shipment or any shipping or price terms contained herein) and to reject any or all goods which are in PURCHASER's judgment defective or nonconforming. Goods rejected and goods supplied in excess of quantities called for herein may be returned to Seller at Seller's expense and, in addition to PURCHASER's other rights, PURCHASER may charge Seller all expenses of unpacking, examining, repacking and reshipping such goods. For a period of ninety days after delivery to PURCHASER (such period being deemed reasonable by the parties) or such longer time as may be reasonably appropriate under the circumstances, PURCHASER reserves the right to revoke any acceptance of nonconforming goods.

7. All tooling, patterns, drawings, specifications, molds or similar items prepared by Seller in connection with this order (hereinafter called "Tooling/Molds") shall be the property of PURCHASER. Seller shall, at its sole expense, maintain all tooling and/or molds in good condition and repair at all times. Consistent with the foregoing, Seller hereby assigns and agrees to assign its interest in such items to PURCHASER. Upon demand by PURCHASER, and without regard to whether such demand constitutes a breach of contract, Seller agrees to turn over any or all Tooling/Molds at once and without any charge whatsoever. Seller hereby grants to PURCHASER a security interest in the goods the subject of this Purchase Order as security for the performance of Seller's obligations owing or to be performed hereunder or otherwise in connection with the transactions contemplated hereby. Further, if PURCHASER shall pay for the goods prior to their shipment by Seller, Seller shall hold the goods in trust for the benefit of the PURCHASER. Seller hereby appoints Purchaser (Purchaser) as its attorney in fact to execute and file any Uniform Commercial Code financing statements and/or such other documents as may be required as evidence of and to perfect the security interest granted hereunder.

8. The price or prices for the goods set forth on the face hereof are firm, and unless otherwise provided on the face hereof Seller shall (a) be responsible for the prompt payment of all charges imposed or payable on any of the goods, including, without limitation, state and local taxes, customs duties and tariffs, freight and insurance, and (b) pay and bear the risk of any increase in the cost of freight or other shipping costs, insurance or other charges imposed or payable on any of the goods.

9. Shipments must equal amounts ordered unless otherwise agreed in writing by PURCHASER. Partial shipments against this Purchase Order are not authorized except as may be specifically stated or indicated under the delivery date(s) specified on the face hereof, or unless authorization is obtained from PURCHASER in writing.

10. PURCHASER shall have the right at any time prior to shipment to make changes in specifications, materials, packaging, time and place of delivery and method of transportation. If any such changes cause an increase or decrease in the cost, an equitable adjustment shall be made and this Purchase Order shall be modified in writing accordingly. Seller agrees to accept any such changes subject to this paragraph.

11. Seller acknowledges that the goods purchased hereunder are purchased for specific purposes and that PURCHASER has promised certain deliveries and/or completion dates to its customers based on the delivery date(s) specified herein. Time is therefore of the essence for this Purchase Order. If deliveries are not made by the date(s) specified on the face hereof, or if such timely delivery appears reasonably uncertain, PURCHASER reserves the right without liability and in addition to its other rights and remedies hereunder to terminate this Purchase Order by notice as to goods not yet received and to purchase substitute items elsewhere and charge Seller with any loss incurred. If in order to comply with PURCHASER's required delivery date(s) it becomes necessary for Seller to ship by a more expensive way than specified in this Purchase Order, any increased transportation costs resulting therefrom shall be paid for by Seller unless and to the extent the necessity for such rerouting or expedited handling has been caused by PURCHASER. Seller shall not ship any of the goods the subject hereof under reservation.

12. Seller agrees to use its best efforts to minimize any damage to goods for which a breach of contract exists. In furtherance and not in limitation of the foregoing, Seller agrees to make reasonable efforts to sell such goods for PURCHASER's account and pending such sale, to take any

and all other such actions as may be reasonably necessary to maintain the goods in a good and saleable condition for goods of such type.

13. PURCHASER reserves the right to terminate this Purchase Order in whole or in part by giving Seller notice in writing at any time prior to Seller's shipment of the goods. Upon receipt of such notice, Seller agrees to stop all work hereunder except as PURCHASER may otherwise direct in writing.

14. PURCHASER shall not be liable for delaying delivery and/or acceptance of the goods, for its failure to accept any goods or for its failure to perform hereunder or breach hereof due to strike, labor trouble, war, insurrection, civil commotion, the public enemy, fire, explosion, accident, flood, storm, act of God, act of any governmental authority, executive or administrative orders or other legal restrictions, riot, embargo, blockade, quarantine, wrecks or delay in transportation or any cause beyond the control of PURCHASER which renders PURCHASER's performance impossible or impracticable or causes PURCHASER's breach hereof.

15. If Seller (a) becomes insolvent, or institutes or has instituted against it insolvency proceedings, or admits in writing its inability to pay its debts generally, or any proceeding is instituted by or against Seller seeking adjustment, protection or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property or (b) fails to comply with any of the terms and conditions hereof of any other contract with PURCHASER, then, the same shall amount to a breach hereof and a default hereunder. In the event of such breach or default, PURCHASER shall be entitled to cancel any unfilled part of this Purchase Order without any liability whatsoever and shall have such other rights and remedies afforded to PURCHASER for breach of contract under the Uniform Commercial Code as enacted in the State of Missouri or under any applicable law, including, but not limited to, the remedies of incidental and consequential damages.

16. Any claims for money due or to become due from PURCHASER shall be subject to deduction or setoff by PURCHASER by reason of any counterclaim arising out of this or any other transaction with Seller. Not in limitation of the foregoing, PURCHASER may deduct all or any part of the damages resulting from any breach by Seller from any part of the price still due under the contract.

17. The rights and remedies provided PURCHASER herein shall be cumulative and in addition to any other rights and remedies provided at law or in equity.

18. In no event shall PURCHASER be liable for anticipated profits or for incidental or consequential damages of the Seller, including without limitation, any charges, expenses or commissions incurred in stopping delivery, in the transportation, care or custody of the subject goods after PURCHASER's breach, in connection with return or resale of the goods or otherwise resulting from such breach. PURCHASER's liability on any claim of any kind for any loss or damage arising out of or in connection with or resulting from this Purchase Order or from the performance or breach thereof shall in no case exceed the price allocable to the goods or unit thereof which gives rise to the claim. Consistent with the foregoing, Seller hereby waives and agrees to waive any claim, loss or damage in excess of the price allocable to the goods. Any action resulting from any breach on the part of PURCHASER arising out of this Purchase Order must be commenced by the Seller within one year after the cause of action has accrued.

19. By accepting this order, Seller affirms that all materials and/or services furnished hereunder have been and shall be produced and supplied in full compliance with all applicable federal, state and local laws and regulations. The applicable provisions of Executive Order 11246 (EQUAL OPPORTUNITY) are included herein by reference. Seller acknowledges that the materials or services provided hereunder may relate to a State or U.S. Government or other government contract and may be subject to termination under applicable Department of Defense or other agency procurement regulations. Seller agrees that all materials and/or services furnished hereunder have been and shall be produced in full compliance with the terms of any such contract and to comply with all applicable directives, orders, rules and regulations and to furnish all required information, certificates or reports when and as required by law or by any such contract.

20. ANY CLAIM OR CONTROVERSY WHATSOEVER BETWEEN PURCHASER AND SELLER OR ARISING OUT OF OR RELATING TO THESE CONDITIONS OF PURCHASE, OR THE BREACH THEREOF OR OTHERWISE, SHALL BE SETTLED BY FINAL AND BINDING ARBITRATION BY A SINGLE ARBITRATOR IN RANDOLPH COUNTY, MISSOURI, TO BE CONDUCTED IN THE ENGLISH LANGUAGE IN ACCORDANCE WITH THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION, AND JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF AS THE FINAL NON-APPEALABLE JUDGMENT THEREOF. IF ANY INTELLECTUAL PROPERTY CLAIM IS ASSERTED IN THE INITIAL NOTICE OR INITIAL RESPONSE OF ANY PARTY, THE ARBITRATOR SHALL BE A MEMBER IN GOOD STANDING OF THE AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION (AIPLA). THE AWARD SHALL BE MADE WITHIN NINETY (90) DAYS OF THE INITIAL NOTICE OF ARBITRATION. NOTHING HEREIN SHALL PREVENT EITHER PARTY FROM SEEKING TEMPORARY OR PROVISIONAL JUDICIAL RELIEF PENDING THE FINAL ACTIONS OF THE ARBITRATION AND PURCHASER HEREBY EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO THE EXCLUSIVE JURISDICTION OF THE STATE COURTS IN RANDOLPH COUNTY, MISSOURI, FOR SAID PURPOSE AND HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS AND COMPLAINT OR OTHER PROCESS OR PAPERS AND AGREES THAT ANY SERVICE THEREOF MAY BE MADE BY THE REGISTERED OR CERTIFIED MAIL OF ANY APPLICABLE COUNTRY ADDRESSED TO PURCHASER AT THE ADDRESS OF PURCHASER SET FORTH ON THE FACE HEREOF OR ANY OTHER KNOWN LEGAL ADDRESS OF PURCHASER.

21. All notices allowed or required under this Purchase Order shall be in writing and shall be deemed sufficient if sent by personal delivery, or by registered or certified mail, postage prepaid, or by first class air mail, postage prepaid (for international mail), or by facsimile, telex or telegraph, to the parties at the addresses given on the face hereof or to such other address as either party may notify. Notice shall be deemed given upon actual receipt.

22. This Purchase Order constitutes the entire agreement between PURCHASER and Seller. This Purchase Order is an integration of and supersedes any and all understandings, representations, proposals or negotiations between the parties, whether oral or written. No oral agreements, representations, course of conduct or dealings between the parties or usage of trade shall be relevant to supplement, explain, contradict or vary in any way, any provision contained herein or any express or implied warranties of Seller.

23. No waiver of any provision of or default under this Purchase Order shall affect PURCHASER's rights thereafter to enforce such provision or to exercise any right or remedy in the

event of any other default, whether or not similar. No waiver shall in any event be effective unless in writing and signed by PURCHASER.

24. None of the terms and conditions contained in this Purchase Order may be amended, added to, modified, supplemented, superseded or otherwise altered except by a written instrument signed by PURCHASER and Seller.

25. This contract and the rights and obligations of Seller hereunder, including without limitation, the duty of performance, may neither be assigned nor delegated without the prior written consent of PURCHASER.

26. Wherever possible, each provision of this Purchase Order shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Purchase Order shall be prohibited by or invalid under applicable law, said provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Purchase Order.

27. This Purchase Order shall be deemed made and executed in Randolph County, Missouri, and shall be governed by and construed in accordance with the laws of the State of Missouri, without regard to its conflict of laws provisions. The parties disclaim the application of the United Nations Convention on the International Sale of Goods.

Please acknowledge receipt of/and compliance with the following instructions. Thank you for your cooperation.

Signature

Title

Date

Company Name

Terms and Conditions.doc
Revised: -03/03/05
(POP 6-xxx)