

JBC TERMS AND CONDITIONS OF PURCHASE

GENERAL TERMS AND CONDITIONS. No terms and conditions other than the terms and conditions set forth in this document, including any terms and conditions in any document attached to or incorporated by reference, shall be binding upon Buyer unless accepted by it in writing signed by the Buyer's Purchasing Agent or General Manager. All terms and conditions contained in any prior proposal or acknowledgment, which are different from or in addition to the terms and conditions of this document are hereby rejected and shall not be binding on Buyer. An Order is defined as a written purchase order submitted to the Seller by a valid Buyer's Purchasing Agent. Every Order accepted by the Seller will be deemed to have assented to all terms and conditions contained herein if any part of the goods and/or service covered by this document is shipped or an invoice is presented in connection with the said goods and/or services.

COMPLIANCE WITH LAWS. Seller warrants that all goods provided hereunder have been produced and all services performed are in compliance with applicable federal, state and local laws, ordinances, codes, rules, regulations or standards, including but not limited to, the Fair Labor Standards Act, Occupational Health and Safety Act, and Title VII of the Civil Right Act, Equal Employment Opportunities Commission. Where legally required, Seller shall include these clauses in its purchase orders supporting the Order, and shall at the Buyer's request, certify to all of the foregoing.

STATE LAW. This document shall be governed in all respects by the laws of the State of Ohio and all actions commenced pursuant hereto shall be brought in a court of competent jurisdiction residing in the State of Ohio.

TRANSPORTATION. Unless otherwise stipulated on the face of the Order or as modified by routing letter from Buyer's Purchasing Agent, goods covered by the Order shall be shipped "FOB destination". Risk of loss and title to said goods to pass to Buyer only upon delivery to Buyer's specified end destination. Delivery in advance of the specified Buyer's shipping date, however, will not cause passage of title, transfer of risk of loss and/or establish FOB point. Transportation charges on goods delivered FOB destination must be prepaid. No charges for unauthorized transportation will be allowed. Any unauthorized shipment, which will result in excess transportation charges, must be fully prepaid by the Seller. Unauthorized transportation charges not prepaid will be offset by the Buyer.

DEFAULT. Neither Seller or Buyer shall be considered in default in the performance of its obligations herein to the extent that performance of such is delayed or prevented due to causes beyond the control of said party, including, but not limited to, acts of God, war, revolution, civil commotion, blockade or embargo, any law, order, regulation, ordinance, of any government, fires, floods, unavoidable casualties, strikes, labor disputes, and other causes beyond the reasonable control of either party. Notwithstanding the aforementioned, in the sole event that the Buyer incurs damages because of the Seller's delay in delivering goods subject to the Order, Seller shall be liable for such damages notwithstanding that such are due to causes beyond Seller's control or result without fault or negligence of Seller. Buyer may by written notice of default to Seller (a) terminate the whole or any part of the Order in any one of the following circumstances: (i) if Seller fails to perform within the time specified herein or any extension thereof; or (ii) if Seller fails to perform any of the other provisions of the Order, or so fails to make progress as to endanger performance of the Order in accordance with its terms; or (iii) if the Seller shall become insolvent or make a general assignment for the benefit of creditors or if a petition under any bankruptcy act or similar statute is filed by or against the Seller, and in any of these circumstances does not cure such failure within a period of ten (10) days or such longer period as Buyer may authorize in writing; and (b) upon such termination Buyer may procure, upon such terms as it shall deem appropriate, supplies or services similar to those so terminated, in which case Seller shall continue performance of the Order to the extent not terminated and shall be liable to Buyer for any excess costs for such similar supplies or services. As an alternate remedy, and in lieu of termination for default, Buyer, at its sole discretion, may elect (a) to extend the delivery schedule and/or (b) to waive other deficiencies in Seller's performance, in which case an equitable reduction in the Order price shall be granted. Buyer shall have the right at any time to require assurance from Seller. In the event Seller for any reason anticipates difficulty in complying with the required delivery date or performance schedule, or in meeting any of the other requirements of the Order, Seller shall promptly notify Buyer in writing. If Seller does not comply with Buyer's delivery schedule or performance schedule, Buyer may require delivery by fastest means and charges resulting from the premium transportation must be fully prepaid and absorbed by the Seller. The rights and remedies of the Buyer provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Order.

REJECTIONS. If any of the goods and/or services furnished hereunder are found at any time to be defective in material or workmanship or otherwise not in conformity with the requirements of the Order, Buyer, in addition to any other rights which it may have under all applicable warranties or otherwise, may at its option correct or have corrected the nonconformity at Seller's expense, or reject and return such goods and/or discontinue such services at Seller's expense. Such goods and/or services shall not be replaced or continued without written authorization from Buyer. Buyer may accept, without prejudice, a portion of any shipment, and, at its option, have Seller repair or replace any non-conforming portion of the shipment, at Seller's expense. Items rejected shall be removed promptly by the Seller at its expense and at its risk. Final acceptance shall not be conclusive with respect to latent defects, fraud or such gross mistakes as amount to fraud or with respect to the Buyer's rights under the "Warranty" clause.

SET-OFF. Buyer shall be entitled at all times to set-off any amount owing at any time from Seller to Buyer or any of its affiliates against any amount payable at any time by Buyer in connection with the Order.

PAYMENT TERMS. JBC normal payment terms are Net 45 unless an advantageous discount is offered by the Supplier. These payment terms cannot be changed without the Buyer's written consent. If cash discounts for early payment are offered by Seller, the period of time agreed upon as constituting "early payment" shall begin with the later of the invoice date or receipt of merchandise. Unless freight or other charges are itemized, the discount will be taken on the full amount of the invoice.

PAYMENT. Upon submission of proper invoices, Buyer shall pay the Order price for material and supplies delivered and accepted or services rendered and accepted; however, payment may be withheld or portions thereof deducted or set-offs made against Seller if Seller is not performing work in accordance with the provisions of the Order. There will be no minimum charges honored unless specifically agreed to prior to shipment.

HAZCOM REPORTING. If any of the items ordered herein constitute or contain "hazardous or toxic chemicals" as defined by any applicable Federal, State or local law, rule or regulation, Seller shall provide at the time of delivery all required notices and information, including without limitation all Material Safety Data Sheets ("MSDS") in approved form. Seller agrees to maintain such information current and shall provide Buyer with any amended, altered or revised information on a timely basis. When the Order or the specifications referred to herein, requires documentation or certification, this requirement is a material requirement of the Order; Seller's failure to provide such information prior to or at the time of delivery may result in withholding of payment until such is provided.

DELIVERY SCHEDULE. Time is of the essence in the fulfillment of the Order. The Order is subject to cancellation if not shipped at the specified time. The Buyer reserves the right to refuse deliveries made in advance of the delivery schedule. Merchandise shipped after the time specified may be returned at the Seller's expense for full credit. Retention of all or any part of such merchandise shall not be considered acceptance of same. Acceptance of such merchandise shall not be deemed a waiver of the Buyer's right to hold the Seller liable for any loss or damage resulting therefrom, nor shall it act as a modification of the Seller's obligation to make future deliveries in accordance with the delivery schedule. Buyer shall be reimbursed in full for all merchandise returned. In addition thereto, Buyer shall have the privilege, if shipment is not made on time, to purchase similar merchandise in the open market in such quantities as they may find necessary not exceeding the amount called for in the Order and hold Seller responsible for the difference, if any, between the price so paid and the Order price.

SHIPMENT. All material shall be properly packed for shipment. The Seller shall comply with the Buyer's standard routing and shipping instructions issued by the Buyer. If such instructions are not attached hereto or have not been previously received, instructions must be requested from the Buyer immediately. No additional charge will be allowed for packing, crating, freight, express or cartage unless specified on the face of the Order. Any loss or damage, whenever occurring, which results from Seller's improper packaging or crating shall be borne by Seller. If applicable, all items shall be properly identified with Buyer's Order number releasing shipments against the Order and the Order item number or other identification number shown.

PATENT AND COPYRIGHT INDEMNITY. Seller represents and warrants that neither the merchandise nor the sale thereof covered by the Order will infringe upon or violate any trademarks, patents, copyright or other legal rights of third parties. Seller agrees to indemnify and hold Buyer harmless from and against any and all claims, liability, loss, costs, attorneys' fees, expenses and damages due to or arising from any such alleged infringement or violation.

DRAWINGS AND OTHER ITEMS. Unless otherwise expressly provided, all drawings, blueprints, dies, patterns, tools, and other items used in connection with the manufacture of the goods which are prepared or constructed by the Seller in fulfilling the requirements of an order for goods, shall be the property of the Buyer, and upon completion of deliveries of the goods, or upon termination of the Order, shall be delivered to the Buyer upon the Buyer's request.

ASSIGNMENT. Any assignment of an Order without the prior written consent of the Buyer shall be void.

INDEMNIFICATION. To the fullest extent permitted by law, Seller agrees to indemnify, save harmless, and defend Buyer and its affiliated companies, their customers, directors, officers, employees and agents, from and against any loss, liability, cost, expenses, suits, actions, claims and all other obligations and proceedings whatsoever, including without limitation, all judgments rendered against, and all fines and penalties imposed upon Buyer and any reasonable attorney's fees and any other cost of litigation (hereinafter collectively referred to as "liabilities") arising out of injuries to persons, including death, or damage to property, caused by Seller, its employees, agents, subcontractors, or in any way attributable to the performance and prosecution of the work herein contracted for, including without limitation breach of warranty or product liability except that Seller's obligation herein to indemnify Buyer shall not apply to any liabilities arising from Buyer's sole negligence. Seller agrees to expressly waive its immunity, if any, under the applicable workers' compensation law if such immunity may affect this indemnification obligation.

WAIVER. The Buyer's failure to insist upon strict compliance shall not be deemed to be a waiver of any right granted Buyer herein. Buyer shall not be deemed to waive any such right unless such waiver is in writing signed by the Buyer's General Manager; such waiver shall not constitute a waiver of any other default under the Order.

TAXES. Unless prohibited by law, the Seller shall pay all federal, state or local tax, transportation tax, or other tax that is required to be imposed upon the items ordered hereunder, or by reason of their sale or delivery; the Order price shall be deemed to include such taxes.

WARRANTY. Seller warrants that it has clear title to all items furnished subject hereto and that they are being delivered free and clear of any encumbrances. The Seller further warrants that all such items shall conform to the Seller's specifications, the requirements of the Order and approved sample or samples, if any, and further, that such shall be merchantable and fit for the Buyer's or its customer's intended use and that such items shall be free from defects in design, material and workmanship (collectively, the "Seller's Warranty"). Seller's Warranty shall remain in effect for a one (1) year period after acceptance of the items by the Buyer's customers, or for such longer period of time as the item is normally warranted. Neither approval by the Buyer of the Seller's design nor acceptance of the goods shall release or discharge Seller from liability for damages resulting from a breach of Seller's Warranty.

If any defect, failure or other non-conformity appears, Buyer shall have the right to take the following actions: (1) retain such defective items and an equitable adjustment will be made in the Order price for such defective items; (2) require Seller to repair or replace such defective items, at the Seller's sole expense, including all shipping, transportation, and installation costs; or (3) correct or replace such defective items with similar items and recover the total cost thereof from the Seller. The aforesaid warranties shall survive acceptance and payment and shall run to Buyer, its customers and their successors in title and shall not be deemed to be exclusive, but shall be in addition to Buyer's other rights under the terms of the Order or at law or equity.

TERMINATION BY BUYER. Buyer shall have the right for and at its convenience to terminate the Order in whole or in part at any time, and from time to time, by written or telegraphic notice effective upon receipt by Seller, even though Seller is not in breach of any obligation hereunder. Upon receipt of notice of termination, Seller shall immediately discontinue performance and shall comply with Buyer's instructions concerning disposition of completed and partially completed items, work in progress and materials acquired pursuant to the Order. In the event of such termination, Seller shall be paid an amount in settlement to be mutually agreed upon by the parties which shall cover Seller's reasonable costs of performance incurred prior to termination in connection with the items for which the Order is terminated plus a reasonable profit based upon such costs. However, said payment shall not exceed the price specified herein for such items. In no event shall the Seller be entitled to recover incidental or consequential damages. Seller shall advise the Buyer, in writing, of Seller's claim, if any, for termination costs within ten (10) days after receipt of the notice of termination.

INSURANCE. Seller shall obtain and maintain commercial general liability insurance with a company rated "A- VII" or better by A. M. Best. Such policy shall have minimum coverage of \$2,000,000 per occurrence, which can be met through an umbrella or standard policy or any combination thereof. The insurance shall be evidenced by a Certificate of Insurance naming JBC Technologies, Inc. as an "Additional Insured".

SEVERABILITY. These terms and conditions shall not be construed against the party preparing them, but shall be construed as if all parties jointly prepared these terms and conditions and any uncertainty or ambiguity shall not be interpreted against any one party. If any provision hereof is held to be illegal, invalid or unenforceable under any present or future laws, such provision shall be fully severable and the terms and conditions herein shall be construed and enforced as if such illegal, invalid or unenforceable provision had never been made a part hereof. The remaining provisions herein shall remain in full force and effect and shall not be affected by such illegal, invalid or unenforceable provisions or by their severance here from.

ENTIRE AGREEMENT. This document and corresponding Orders constitute the entire agreement between the parties and contain all the agreements and conditions of sale. The terms and conditions contained in the Order may not be added to, modified, superseded or otherwise altered except by a written modification signed by the Buyer's Purchasing Agent or General Manager. Each delivery shall be deemed to be only upon the terms and conditions contained in the Order, which shall supersede all inconsistent provisions included in Seller's proposal and in any subsequent acknowledgment by Seller.