

A. FINANCIAL

A1. PRICING:

Neither shall any Order price increase nor the terms change without the Buyer's written consent. The Seller warrants that the prices of the products and services covered by any Order (collectively "Products") are not in excess of the Seller's lowest lawful prices in effect on the date of any Order for comparable quantities of similar items.

A2. TERMS:

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. All shipments received or invoices dated after the twenty-fifth (25th) will be considered first of the following month dating. Unless freight or other charges are itemized, the discount will be taken on the full amount of the invoice. Acceptance of payment waives any claim for cash discounts taken related to early payment terms. "Net invoices" will be paid on the last day of the following month.

A3. TAXES:

Unless prohibited by law, any Order price shall include all federal, state or local, transportation tax, or other tax which is required to be imposed upon Products by reason of their sale or delivery.

A4. PAYMENT:

Upon submission of proper invoices, Buyer shall pay the undisputed Order price as listed in any Order for Products delivered and accepted. However, payment may be withheld or portions deducted or set-offs against Seller if Seller is not performing in accordance with the provisions of any Order. There will be no minimum charges honored unless specifically agreed to prior to shipment. Shipments consigned directly to Buyer's customers that are shipped after the twenty fifth (25th) shall be considered as invoiced the following month.

A5. 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 any Order.

B. DELIVERY

B1. TRANSPORTATION:

Unless otherwise stipulated on the face of any Order or as modified by routing letter from Buyer's Purchasing Agent, Products shall be shipped Ex Works (FOB shipping point). Title to Products pass to Buyer upon delivery to the carrier at shipping point, regardless of risk of loss. Delivery in advance of the specified Buyer's shipping date, however, will not cause passage of title, transfer of risk of loss or establish the point of shipment. Transportation charges on Products delivered DDP (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 Buyer.

B2. CUSTOMS DOCUMENTATION:

Seller accepts full responsibility for the completeness and accuracy of the corresponding Certificate of Origin and all other customs documentation ("Shipping Documents") provided to Buyer. Seller accepts any liabilities resulting from inaccurate data on Shipping Documents or failure to comply with import or export requirements.

B3. HASCOS REPORTING:

For Products defined by any applicable Federal, State or local law, rule or regulation as "hazardous or toxic chemicals", Seller shall provide at the time of delivery all required information, including without limitation all Products 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. Seller's may withhold payment for failure to provide such information until it is provided.

B4. SHIPMENT:

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

B5. DELIVERY SCHEDULE:

Time is of the essence in the fulfillment of any Order. An 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. Products shipped after the time specified may be returned at the Seller's expense for full credit. Retention of all or any part of such Products shall not be considered acceptance of same. Acceptance of such Products shall neither 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 Products returned. In addition, Buyer shall have the privilege, if shipment is not made on time, to purchase similar Products in the open market in such quantities as they may find necessary not exceeding the amount called for in any Order and hold Seller responsible for the difference, if any, between the price so paid and any Order price.

B6. REJECTIONS:

If any Products are found at any time to be defective in material or workmanship, or otherwise, not in conformity, with the requirements of any 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 Products at Seller's expense. Rejected Products shall not be replaced 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.

C. LIABILITY

C1. WARRANTY:

Seller warrants that Products are delivered free and clear of any lien or encumbrance. The Seller further warrants that Products shall conform to the Seller's specifications, the requirements of any Order and approved samples, if any; and further, Products shall be merchantable and fit for the Buyer's or its customer's intended use; and 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 is normally warranted by Seller. Neither approval by the Buyer of the Seller's design nor acceptance of the Products 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 (i) retain such defective Products and make an equitable adjustment in any Order price;(ii) require Seller to repair or replace such defective Products, at the Seller's sole expense, including all shipping, transportation, and installation costs; or (iii) correct or replace such defective items with similar items and recover the total cost thereof from the Seller. Seller's 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 any Order or at law or equity.

C2. 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 ("Indemnittees"), from any suit, cause of action, judgment or claim ("Claim") for damages to property or bodily injury, loss of life, infringement, liability of any nature, costs, fines, penalties and expenses including reasonable attorney fees and any other cost of litigation ("Damages") caused by Seller, its employees, agents, subcontractors, or sub-suppliers arising out of or related to Products; except that Seller's obligation shall not apply to Damages

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.

C3. PATENT AND COPYRIGHT INDEMNITY:

Seller represents and warrants that neither the Products nor their sale will infringe upon or violate any trademarks, patents, copyright or other legal rights of third parties. Seller agrees to indemnify and save Buyer harmless and defend Indemnities from Claims for Damages arising from or related to any actual or alleged infringement or violation of applicable law.

C4. INSURANCE:

Seller shall 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 \$4,000,000 aggregate, which can be met through an umbrella or standard policy or any combination. The insurance shall be evidenced by a Certificate of Insurance naming Buyer as an "Additional Insured" under its Vendor Broad Form endorsement.

D. REPRESENTATIONS

D1. COMPLIANCE WITH LAWS:

Seller warrants that all Products are in compliance with applicable federal, state and local laws, ordinances, codes, rules, regulations or standards. Furthermore, Seller warrants and represents that it shall, with respect to any Order, comply with applicable law including, without limitation, those pertaining to the manufacture, labeling, invoicing, environmental protection, immigration, employment, occupational safety and health, antitrust and anti-corruption. Sellers located within the United States also warrant that they shall at all times comply with applicable provisions relating to government contractors and subcontractors, which provisions, and any contract clauses required thereunder, are incorporated in any Order by reference as if set forth in full, including (i) 41 CFR 60-1, et seq., with the reporting, record keeping and affirmative action program requirements; (ii) Equal Opportunity Clause of EO 11246 pursuant to 41 CFR 60-1.4; (iii) the maintenance of non-segregated facilities as required by 41 CFR 60-1.8; (iv) the provisions of 41 CFR 60-250.4 relating to disabled and Vietnam era veterans; (v) the provisions of 41 CFR 60-741 relating to handicapped workers; (vi) Fair Labor Standards Act of 1938; (vii) Foreign Corrupt Practices Act.

D2. AUDIT

Seller shall maintain records in the ordinary course of business in accordance with generally acceptable accounting principles to accurately capture and reflect purchase and sale transaction arising out of any Order. Seller will allow Buyer, or its agent, to audit such records or its facilities to evaluate compliance with any Order. Such audits shall be at reasonable time and with reasonable notice.

D3. STATE LAW:

Any Order shall be governed in all respects by the laws of the Commonwealth of Virginia and all actions commenced pursuant hereto shall be brought in a court of competent jurisdiction residing in the Commonwealth of Virginia.

E. TERMINATION

E1. DEFAULT:

Neither Seller nor 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. If Buyer incurs damages as a result of the Seller's delay in delivery, Seller shall be liable for such damages if due to the negligence of Seller. Buyer may by written notice of default to Seller (a) terminate the whole or any part of any Order in any one of the following circumstances: (i) if Seller fails to perform within the time specified herein or any extension; or (ii) if Seller fails to perform any of the other provisions of any Order, or so fails to make progress as to endanger performance of any 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 any 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 any 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 any 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 any Order.

E2. TERMINATION BY BUYER:

Notwithstanding any other provision of any Order, Buyer reserves expressly the right to revoke any Order at any time prior to receipt of notice of acceptance by Seller. Buyer shall have the right for and at its convenience to terminate any 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 Products acquired pursuant to any 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 any 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.

E3. 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 Authorized Representative; such waiver shall not constitute a waiver of any other default under any Order.

F. MISCELLANEOUS

F1. TERMS AND CONDITIONS:

No terms and conditions other than the terms and conditions set forth in any Order, 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 authorized representative. Acceptance is limited to the terms stated herein. All terms and conditions contained in any prior proposal or acknowledgment of any Order which are different from or in addition to the terms and conditions of any Order are hereby rejected and shall not be binding on Buyer, whether or not they would alter any Order, and Buyer hereby objects thereto. Seller will be deemed to have assented to all terms and conditions contained herein if any part of the Order is shipped or invoiced.

F2. ENTIRE AGREEMENT:

Any Order constitutes the entire agreement between the parties and contains all the agreements and conditions of sale; no course of dealing or usage of the trade shall be applicable unless expressly incorporated in any Order. The terms and conditions contained in any 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 any Order, which shall supersede all inconsistent provisions included in Seller's proposal and in any subsequent acknowledgment by Seller, notwithstanding the Buyer's act of accepting or paying for any delivery or similar act of the Buyer.