

Vendor is called "Seller" and Griffith Rubber Mills is called "Buyer" herein.

1. DELIVERY AND ACCEPTANCE - Time of delivery is of the essence of this purchase order. Acceptance of this purchase order shall be unqualified, unconditional, and subject to the terms and conditions herein. No additional or different terms and conditions, including those which appear in any acceptance or acknowledgment, quotation, or proposal of Seller, shall be of any force or effect unless Buyer expressly agrees in writing to such additional or different terms and conditions. Seller agrees that it will not assert, as a defense to the enforcement of the conditions of this purchase order, any limitation set out in its acceptance or acknowledgment of this order. Acceptance and payment for goods shipped or services rendered shall constitute Buyer's acceptance of such goods or services subject to the provisions herein only. Upon acceptance, this purchase order shall constitute the entire agreement between Buyer and Seller unless otherwise agreed to in writing by both Buyer and Seller.

2. PACKING, MARKING AND SHIPPING - Shipments shall be routed in accordance with Buyer's instructions, and Seller agrees to reimburse Buyer for all expense incurred by Buyer as a result of improper packing, marking or routing. Buyer's purchase order number, part number, and Seller's shipment identification (SID) number will appear on each package and bill of lading. Goods for two or more of Buyer's locations will be shipped in separate packages for the different locations. Shipments in excess of those authorized may be returned to Seller, and Seller shall pay the transportation charges both ways for such shipments. Buyer may from time to time change shipping schedules previously furnished Seller, or direct temporary suspension of scheduled shipments. Buyer's count will be accepted as final on all shipments. Unless otherwise expressly agreed to in writing, no charge shall be made by Seller for containers, crating, boxing, bundling, dunnage, drayage or storage.

3. DELAYS - Seller shall not be liable for delays or defaults in furnishing goods or the services hereunder, and Buyer shall not be liable for failure to accept goods or services hereunder if such delays or failure on the part of either are due to causes beyond the control and without the fault or negligence of Seller in furnishing goods or services, or of Buyer in accepting goods or services, including acts of God or of a public enemy, acts of the Government of the United States or any state or political subdivision thereof, fires, floods, explosions, or other catastrophes, labor disturbances, freight embargoes, or delays of a supplier due to such causes or similar causes whether natural or unnatural. In cases of Seller's delays as provided for in this paragraph, Buyer reserves the option to terminate this purchase order without penalty after sixty (60) days from the delivery date set forth hereon upon written notice to Seller. In the event of a delay due to the fault or negligence of Seller, Buyer at its option may either approve a revised delivery schedule or terminate this order without further liability to Seller.

4. INVOICES - Delay in receiving invoices, also errors and omissions on invoices, will be considered just cause for withholding payment without losing cash discount privileges if any.

5. TAXES - Buyer will not pay Seller any state or local sales, use, or similar tax unless Seller is required by law to collect such taxes from Buyer. U. S. Federal excise taxes charged to Buyer shall be separately stated or it shall be indicated as being included in the unit price. Seller agrees that no tax for which an exemption is indicated hereon or otherwise by Buyer is or will be included in the prices stated hereon, nor will they be subsequently charged. Seller agrees to pay any and all personal property or *ad valorem* taxes assessed or otherwise levied against any property placed in the hands of Seller by Buyer for the purpose of fulfilling this purchase order.

6. WARRANTY AND INDEMNITY - Seller warrants that all goods and services covered by this order shall conform to the specifications, drawings, samples or other description upon which this order is based, shall be fit and sufficient for the purpose intended, merchantable, of good material and workmanship and free from defect. This warranty shall run to Buyer, its customers and users of its products. Seller agrees to promptly replace or correct defects of any goods or services not conforming to the foregoing warranty, without expense to Buyer, when notified of such nonconformity by Buyer. In the event Seller fails to promptly correct defects in or replace nonconforming goods. Buyer, after reasonable notice to Seller, may make such corrections or replace such goods and services and charge Seller for costs of materials, labor, transportation or other costs incurred by Buyer. In addition to any other remedies it may have, Buyer may reject nonconforming goods and return them to Seller at Seller's expense; if Seller request nonconforming material to be disposed of (scrapped) at Buyer's location, a disposal fee of .25 per pound will be charged to the Seller. Nonconforming goods may not be replaced without Buyer's written authorization. Seller agrees to indemnify and save harmless Buyer, its agents and customers and the users of any goods or services covered by this order from any and all liability, loss or damage which may be incurred by them or any of them arising out of or in connection with or related to any claim of defect in the design, materials, manufacturer or sale of such goods or services.

7. CHANGES - Buyer may at any time make changes in the drawings, designs or specifications, method of shipping or packing, and the place of delivery of any goods or work covered hereby.

8. PATTERNS, TOOLS AND DIES - All patterns, tools, dies, or other material furnished by Buyer to Seller, or which are specifically paid for by Buyer, and any replacement thereof, or anything affixed or attached thereto, shall be and remain Buyer's personal property. Such property, if it can reasonably be done, shall be plainly marked or otherwise adequately identified by Seller as "Property of Griffith Rubber Mills," and shall be safely stored separate and apart from Seller's property. Seller shall not substitute any property for such and shall not use such property except for filling Buyer's order. While in Seller's custody or control, such property shall be held at Seller's risk, and shall be subject to removal at Buyer's request.

9. WORK ON BUYER'S OR ITS CUSTOMER'S PREMISES - If Seller's work under this order involves operations by Seller on the premises of Buyer or one of its customers, Seller shall take all necessary precautions to prevent the occurrence of any injury to person or property during the progress of such work. Seller agrees to indemnify and protect Buyer against all liabilities, claims, or demands for injuries or damage to any person or property growing out of the performance of this order, and to pay Buyer's cost or expenses in connection with any thereof. Seller shall maintain such public liability, property damage, and employer's liability and worker's compensation insurance as will protect Buyer from said risks and from any claims under any applicable worker's compensation, occupational disease, or similar act. Seller shall furnish certificates of insurance to Buyer at Buyer's request.

10. INFRINGEMENT - Seller warrants that the goods sold hereunder will not infringe any U.S. or foreign patent, trademark, service mark or other intellectual property rights (collectively, "Infringement"), and Seller shall defend, indemnify and save Buyer harmless from and against any and all loss, damage, expense or liability that may result by reason of any Infringement or alleged Infringement.

11. USE AND PROTECTION OF INFORMATION - Seller shall secure written approval from Buyer before any specifications, records, drawings, data, computer programs, program documentation, or any other technical information relating to this purchase order (other than relating to Seller's own standard commercial items) are released to anyone other than those requiring the information for the performance of work under this purchase order. Any information of the type described hereinabove which is furnished by Buyer shall remain Buyer's property, shall be kept confidential by Seller as a trade secret, and shall be returned to Buyer at its request. Seller shall ensure compliance with any U.S. export licensing requirements, if applicable.

12. COMPLIANCE WITH LAWS - Seller agrees to comply with all applicable federal, state and local laws and to indemnify Buyer against all liability for Seller's failure so to comply. The provisions of Section 202, Part II of Executive Order 11246 relating to Equal Employment Opportunity, the Vietnam Era Veterans Readjustment Assistance Act of 1974, 38 USC 2012, and Section 503 of the Rehabilitation Act of 1973 relating to handicapped persons, are made a part of this purchase order by reference.

13. RELATIONSHIP - Neither Seller, nor its subcontractors, employees or agents of any of them, shall be deemed to be Buyer's employees or agents, it being understood that Seller and its subcontractors are independent contractors for all purposes and at all times, and Seller shall be wholly responsible for withholding or payment of all U. S. Federal, State and local income, payroll and other taxes with respect to its employees, including contributions from them and as required by law.

14. TERMINATION AT OPTION OF BUYER - At its option, Buyer may terminate all or a part of the work under this purchase order. In such case, Buyer shall have no liability with respect to goods or components procured, or work **done**, or supplies partially fabricated, in excess of authority contained in this order or in any shipment release and issued to Seller pursuant hereto. In no event shall Buyer be liable for prospective or anticipated profits by reason of such termination.

15. TERMINATION ON DEFAULT OF SELLER - By notice in writing to Seller, Buyer may terminate this purchase order, without liability except as hereinafter stated, upon:

- (a) Seller's failure to conduct its operations in the normal course of business including liability to meet its obligations as they occur
- (b) The instituting of any proceedings by or against Seller under international or U.S. bankruptcy or insolvency laws;
- (c) Appointment or application for a receiver for Seller;
- (d) An assignment by Seller for the benefit of creditors; or,
- (e) Seller's default in any other particular in the performance of this purchase order.

Upon termination pursuant to this paragraph, Buyer shall pay Seller for deliveries previously made and not paid for and for goods completed at the time of termination in accordance with this purchase order and subsequently delivered according to the purchase order or the shipment release and issued pursuant hereto.

16. ENFORCEMENT AND SEVERABILITY - Buyer's failure at any time to enforce any of the provisions of this purchase order or any right with respect thereto, or to exercise any option herein provided, will in no way be construed to be a waiver of such provisions, rights, or options or in any way to affect the validity of this contract. In the event that any one or more of the provisions contained herein shall for any reason be held to be unenforceable, in any respect under the law of the State of Oregon or of the United States of America, such unenforceability shall not affect any other provision of this purchase order, but this purchase order shall then be construed as if such unenforceable provision(s) had never been contained herein.

17. CHOICE OF LAW AND FORUM - This purchase order is to be governed by and construed under the internal, substantive laws of the State of Oregon, excluding its conflicts of law rules. The U. N. Convention on Contracts for the International Sale of Goods shall not apply.

18. ELECTRONIC DATA INTERCHANGE - If Buyer and Seller use Electronic Data Interchange for order processing, all transactions shall be in accordance with Buyer's Electronic Data Interchange Users Manual.

19. OFFER TO FORM A CONTRACT - This purchase order is an offer to form a contract and acceptance is limited to the terms of this offer.

20. ATTORNEYS' FEES - The prevailing party in any action instituted to settle any dispute arising as to any term, condition or covenant set forth in this purchase order, or in any other document evidencing this transaction, shall be entitled to its reasonable attorney fees, including attorney fees incurred on appeal.