

# CONDITIONS OF PURCHASE

Rev. 6-16-08

1. Acknowledge order and state when you will ship.
2. All exhibits, MOS's, drawings noted on face of order and attached hereto are made a part hereof.
3. Render invoices in duplicate.
4. Place Job No., Purchase Order & Item No. on all invoices, packages, Packing Slip, Bills of Ladings.
5. The seller agrees and will comply with the requirements of Sections 12(a) of the Fair Labor Standards Act, in connection with the production of the articles or the performance of the services specified herein.
6. The Seller shall certify on all invoices against this order that all prices shall be in accordance with current government price control regulations in effect at time of invoicing.
7. No invoice will be paid for material or services which have not been ordered by the purchasing department.
8. Cartage or packing charges will not be allowed unless expressly agreed to by the purchasing department.
9. Cash discount periods will be computed either from date of delivery and acceptance of goods, or the date of receipt of correct and proper invoices, prepared in accordance with the terms of the buyer's order, whichever is later.
10. Seller hereby certifies that in filling this order it is complying and will comply with all applicable federal, state and local government laws, regulations, orders and rules, including without limitation, the following:
  - a) The Fair Labor Standards Act of 1938 and any amendments thereto, and all other applicable labor laws.
  - b) Executive Order 11246 as amended and/or any statute, order or regulation concerning equal employment opportunity, nondiscrimination in employment, and non-segregated facilities.
  - c) All other applicable rules and regulations of the Office of Federal Contract Compliance.
  - d) Section 503 of the Rehabilitation Act of 1973 and any other statute, orders or regulations concerning the employment and advancement in employment of handicapped individuals.
  - e) Any clauses specified in the applicable government procurement regulations or the prime contract pursuant to which this order is placed either by Gentz Industries or its customer. Without limiting the generality of the foregoing, this will include the following clauses, whenever applicable, required by the Federal Acquisition Regulation. Where, as to any such matters, alternative clauses are specified in the applicable or as to any other information pertaining to clauses included herein by virtue of the terms and provisions of the applicable government procurement regulations.
  - f) The term "contractor" replaces the term government where it appears in the FAR text. Additionally, the term "contractor" is replaced by the term "subcontractor".

## FAR CLAUSE NUMBER AND TITLE

52.203-6 RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT  
52.203-7 ANTI-KICKBACK PROCEDURES  
  
52.204-2 SECURITY REQUIREMENTS  
52.208-1 REQUIRED SOURCES FOR JEWEL BEARINGS AND RELATED ITEMS  
52.210-5 NEW MATERIAL  
52.212-8 DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS  
52.213-13 STOP WORK ORDER  
52.212-14  
52.214-26 AUDIT-FORMAL ADVERTISING  
52.214-27 PRICE REDUCTION FOR DEFECTIVE COSTS OR PRICING DATA  
52.214-28 SUBCONTRACTOR COST OR PRICING DATA-MODIFICATION -SEALED BID  
52.215-1 EXAMINATIONS OF RECORDS BY COMPTROLLER GENERAL  
52.215-2 AUDIT - NEGOTIATION  
52.215-22, 23 PRICE REDUCTION FOR DEFECTIVE COST/PRICE DATA  
52.215-24, 25 SUBCONTRACTOR COST OR PRICING DATA  
52.215-26 INTEGRITY OF UNIT PRICES  
52.216-7 ALLOWABLE COST AND  
52.216-16 INCENTIVE PRICE REVISION  
52.216-17  
52.219-8 UTILIZATION OF SB/SDB CONCERNS (GREATER THAN \$10M)  
52.219-9 SB/SDB SUBCONTRACTING PLAN (GREATER THAN \$500M)  
52.219-13 UTILIZATION OF WOMEN OWNED BUSINESS (GREATER THAN (\$10M)  
  
52.220-1, 3, 4 LABOR SURPLUS AREA CONCERNS  
52.222-1 NOTICE TO THE GOVERNMENT OF LABOR DISPUTES  
  
52.222-3 CONVICT LABOR  
52.222-4 CONTRACT WORK HOURS AND SAFETY STANDARDS ACT--OVERTIME  
COMPENSATION  
52.222-20 WALSH HEALY PUBLIC CONTRACTS ACT  
52.222.21, 22, 23 CERTIFICATION OF NON-SEGREGATED FACILITIES  
52.222-26 EQUAL OPPORTUNITY  
52.222-35 EQUAL OPPORTUNITY FOR SPECIAL DISABLED VETERANS, VETERANS OF  
THE VIETNAM ERA  
52.222-36 AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES  
52.222-37 EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA

## FAR CLAUSE NUMBER AND TITLE

52.223-1, 2 CLEAN AIR AND WATER CERTIFICATION (GREATER THAN (\$100M)  
52.223-3 HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY  
DATA  
52.224-2 PRIVACY ACT  
52.225-3, 7, 9 BUY AMERICAN ACT  
52.225-10 DUTY FREE ENTRY  
52.225-11 CERTAIN COMMUNIST AREAS  
52.227-1 AUTHORIZATION AND CONSENT  
52.227-2 NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT  
52.227-8 REPORTING OF ROYALTIES (FOREIGN)  
52.227-9 REFUND OF ROYALTIES  
52.227-10 FILING OF PATENT APPLICATIONS - CLASSIFIED SUBJECT MATTER  
52.227-11 PATENT RIGHTS - RETENTION BY THE CONTRACTOR  
52.227-12  
52.227-13  
52.227-14 RIGHTS IN DATA - GENERAL  
52.227-16 ADDITIONAL DATA REQUIREMENTS  
52.227-17 RIGHTS IN DATA  
52.227-18  
52.228-3 WORKERS COMPENSATION  
52.228-5 INSURANCE-WORK ON A GOVERNMENT INSTALLATION  
52.230-3 COST ACCOUNTING STANDARDS  
52.230-4, 5, 6 ADMINISTRATION OF COSTS ACCOUNTING  
STANDARDS  
52.232-16 PROGRESS PAYMENTS  
52.241-27 PRICE REDUCTION FOR DEFECTIVE COSTS/PRICE  
DATA  
52.243-1 THRU 5 CHANGES  
52.244-2 SUBCONTRACTS - ALTERNATE  
  
52.245-17, 18 19 SPECIAL TOOLING /TEST EQUIPMENT  
52.246-23 -25 LIMITATION OF LIABILITY  
52.247-63 PREFERENCE FOR US-FLAG AIR CARRIERS  
52.248-1 VALUE ENGINEERING  
  
52.249-1, 2 TERMINATION

11. INSURANCE - Any subcontractor for Gentz Industries will assume responsibility for and liability in and for any kind of nature whatever to all persons and to all property growing out or resulting in the performance of the work set forth in body of the purchase order. The subcontractor is an independent contractor in the performance in this scope of work, will provide all of his own tools, and shall provide and maintain Workers Compensation Insurance and Public Liability Insurance and other insurance for protection as specified. Comprehensive General Liability, including Pollution Liability, for sudden exposures, including primary and excess of not less than \$1,000,000 for bodily injury and property damage. Workman's Compensation including Employer's Liability coverage, including primary and excess of not less than \$1,000,000 Builders Risk or All Risk coverage of not less than \$1,000,000. Gentz Industries will be named insured with a waiver of subrogation on the above policies and evidence of the above coverage must be provided to Gentz Industries before subcontractor starts work. Work start will not act as a waiver of this agreement. Subcontractor must provide Gentz Industries thirty days notice before cancellation of any above coverage's.
12. INDEMNIFY - The vendor of subcontractor further agrees 1) To indemnify Gentz Industries against and save it harmless from any and all claims, suits, liability, expense with the vendor or subcontractor assuming the entire responsibility and liability for any and all damage or injury of any kind or nature whatever including death resulting therefrom to all persons, whether employees of the subcontractor, Gentz Industries, or otherwise, and to all property caused by resulting from, arising out of or occurring in connection with the sale of goods, services, or execution of work. Except to the extent if any expressly prohibited by statute should any claims for such damage or injury (including death resulting therefrom) be made or asserted whether or not such claims are based upon Gentz Industries alleged active or passive negligence or participation in the wrong or upon any alleged breach of any statutory duty or obligation on the part of Gentz Industries, the vendor or subcontractor agrees to indemnify and save harmless Gentz Industries, its officers, agents, servants, and employees from and against any and all claims, and further from and against any and all lost cost expense, liability damage, or injury, legal fees disbursements, the Gentz Industries, its officers, agents servants, or employees may directly or indirectly sustain , suffer, or incur as a result thereof and the vendor or subcontractor agrees to and does hereby assume on behalf of Gentz Industries, its officers, agents and employees, the defense of any action at law as in equity which may be brought against Gentz Industries, its officers, agents, servants or employees upon or by reason of such claims and to pay on behalf of Gentz Industries, its officers, agents, servants or employees upon its demand the amount of any judgment that may be entered against Gentz Industries, its officers, agents, servants or employees in any such action in the event that only such claims, loss, cost expense, liability damage or injury arise or made, asserted or threatened against Gentz Industries, its officers, agents, servants or employees, Gentz Industries shall have the right to withhold from any payment due or to become due to the vendor of subcontractor an amount in its judgment to protect and indemnify it and its officers, agents, servants and employees from and against any and all such claims, loss, cost expense, liability or damage or injury, including legal fees and disbursements, or Gentz Industries, in its discretion, may require the vendor or subcontractor to furnish a surety bond satisfactory to Gentz Industries, guaranteeing such protection, which bond shall be furnished by the vendor or subcontractor within five (5) days after written demand has been made thereof.
13. DELIVERY - Shipments shall be made in the quantities and at the time or times specified in this Purchase Order or in supplementary schedules furnished by Buyer. Unless otherwise stated herein, time is of the essence. If at any time Seller has reason to believe that deliveries will not be made as scheduled, Seller shall immediately give Buyer written notice setting forth the cause or causes of the anticipated delay accompanied by a documented corrective action plan to meet delivery schedules. If it appears Seller will not meet schedule, then in addition to any other right or remedy that Buyer has under law or this Order, Buyer may require Seller to ship via expedited means at Seller's expense. Late deliveries, deliveries of products which are defective or which do not conform to this Purchase Order, and failure to provide Buyer, upon request, of reasonable assurances of future performance shall be causes allowing Buyer to terminate this Purchase Order for cause, and Seller shall be liable for all damages to Buyer by reason of such events that caused termination.