

ALEXANDER BINZEL CORPORATION: TERMS OF PURCHASE

All Alexander Binzel Corporation purchase orders are subject to the following terms and conditions. In these terms, "Buyer" means Alexander Binzel Corporation and "goods" and "services" refer to the goods or services to be purchased by Buyer from Seller as described on the face of the order.

1. Agreement. If the order is stated on its face to be an offer to purchase, but is in legal effect an acceptance of a prior offer by Seller, then Buyer's acceptance is conditional upon Seller's assent to all terms of the order that are additional to or different from the terms of Seller's offer. If the order is stated on its face to be an acceptance of an offer by Seller, then Buyer's acceptance is not conditional. By signing and returning a copy of the order or accepting the order electronically, or by shipping the goods or performing the services, Seller agrees to all of the terms contained in the order.
2. Price and Payment. Unless Buyer agrees otherwise in writing, Buyer will not be required to pay any sales, use, or other taxes arising because of Buyer's purchase from Seller. Buyer will not be required to pay any late charge, interest, finance charge, or similar charge. Buyer's payment of the purchase price does not indicate its acceptance of the goods or services. Payment terms will run from the latest of (a) the scheduled date for delivery or performance, (b) the actual date of delivery of conforming goods or performance of conforming services, (c) the date of Seller's invoice, (d) in the case of capital equipment, completion of Buyer's final inspection and acceptance after installation, and (e) in the case of tooling, approval by Buyer of production pieces produced by the tooling.
3. Delivery. Unless Buyer agrees otherwise in writing, Seller shall deliver the goods F.O.B. (Uniform Commercial Code) Buyer's facility stated in the order, except that Buyer may at its option take delivery of all or any part of the goods at Seller's facility. Time of delivery or performance is of the essence, and Buyer's stated delivery or performance date cannot be extended or excused for any reason, including delays in manufacture or shipment that Seller cannot control, except with Buyer's written approval.
4. Excess, Installment, and Early Deliveries. If Seller delivers more goods than Buyer ordered, Buyer will not have to pay for the excess. Unless Buyer agrees otherwise in writing, Seller will deliver all of the goods in a single delivery and not in installments. Buyer's acceptance of a delivery containing less than the required quantity will not relieve Seller of its obligation to deliver the balance of the ordered goods at the price and on the other terms specified in the order. If Seller delivers the goods before the scheduled delivery date, Buyer may, at Seller's expense and risk, either store them or return them to Seller. Buyer's acceptance of an early delivery will not change the payment terms.
5. Warranties. Seller warrants that (a) the goods shall be new, (b) the goods and services shall be merchantable, of good material and workmanship, and fit for the purposes for which Buyer intends them and that any services covered by the order will be of good, workmanlike quality, free from faults and defects, (c) the goods and services shall conform to any samples, drawings, specifications, or standards that are referred to on the face of the order or that Buyer has otherwise specified or agreed to, (d) the goods, their manufacture, packaging, labeling, branding and sale and the services shall comply with all applicable federal, state, or local laws and regulations, including, without limitation, the Fair Labor Standards Act of 1938 and the Occupational Safety and Health Act of 1970. If Buyer requests it, Seller will give Buyer certificates of compliance with applicable laws and regulations. Buyer's approval of a sample, drawing, specification or standard shall not relieve Seller of any of its warranties under this paragraph. Seller's warranties extend to future performance of the goods and services and survive inspection, tests, acceptance, and payment. Seller also warrants and agrees that (v) Seller has all necessary experience, qualifications, expertise, authority, licenses and permits to enable it to perform its obligations under the order, (w) the order is the valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, (x) Seller is and, at the time of each order will be, solvent, (y) Seller has not offered or given, and shall not offer or give, any gratuity or thing of value to any employee of Buyer or of any affiliate of Buyer and (z) Seller is and shall continue to be in compliance with all equal employment and affirmative action provisions of Executive Order 11246, the Vietnam Era Veterans' Readjustment Assistance Act ("VEVRAA"), Section 503 of the Rehabilitation Act of 1973 and all implementing regulations under that Order, VEVRAA and Section 503.
6. Material Safety Data Sheet. Upon the initial purchase of every product containing a hazardous material (as defined in Title 29 CFR 1915.2(s)), Seller shall send a Material Safety Data Sheet to Buyer's corporate safety department. The Material Safety Data Sheet supplied must be Form OSHA-20, or one similar which has been approved by OSHA. Seller shall supply Buyer with all revisions to data Sheets previously supplied.
7. Claims. Seller will indemnify and hold Buyer and its directors, officers and employees ("representatives") harmless (and defend Buyer and its representatives, if Buyer requests) as to any claims, liabilities, and expenses (including, without limitation, attorneys' fees and other legal expenses) brought against or incurred by Buyer or any of its subsidiaries, affiliates, agents or vendees because of (a) any breach by Seller of any of its warranties to, or agreements with, Buyer, (b) any claim of unfair competition or patent, trademark, or copyright infringement relating to the goods or any services, or (c) any death, injury, or damage to any person or property or any recall alleged to have been caused by the goods or services or by Seller's manufacture of the goods or performance of the services.
8. Inspection. Buyer's employees may at any time enter Seller's premises to inspect and test the goods, Seller's process of manufacture of them, and any materials, components, or work-in-process that is to be used in their manufacture.

9. Shut Down. If a material part of Buyer's business is shut down, permanently or temporarily, because of anything Buyer cannot reasonably control (such as casualty or labor trouble), Buyer may cancel the order without liability except as to conforming goods delivered to Buyer or conforming services performed for Buyer before Buyer cancels.

10. Changes. Buyer may at any time, by written notice to Seller, change the (a) specifications of the goods or services, (b) time and place of delivery or performance, (c) method of packing or shipment, or (d) quantity of the goods or extent of the services. If this causes a change in Seller's cost or time of performance, an equitable adjustment shall be made in the price or time for delivery or performance, or both, if Seller gives Buyer a written request for an adjustment within 20 days after Buyer notifies Seller of the change.

11. Termination at Buyer's Option. Buyer may terminate any contract formed pursuant to the order, in whole or in part, at any time by written notice to Seller stating the extent and effective date of termination. Upon receipt thereof, Seller will, unless otherwise directed by Buyer, stop work and acquisition of materials in connection with the order and protect property in Seller's possession in which Buyer has or may acquire an interest. Not later than 30 days from the effective date of termination, Seller may submit to Buyer its claim, if any, for reasonable compensation for termination. Buyer shall have the right to audit and inspect Seller's books, records, and other documents relating to any such termination claim. If the parties cannot agree within a reasonable time upon the amount of fair compensation for the termination, Buyer shall pay to Seller the following amounts without duplication: (i) the purchase order price for goods or services completed in accordance with the provisions of this purchase order but not previously paid for, and (ii) the actual costs incurred by Seller and properly allocable or apportionable under recognized cost accounting practices to the terminated portion of the order, but not to exceed the contract price for the terminated portion of the order, less any other payments made by Buyer in respect thereof and less the value to Seller of any materials or work in process that Seller retains. These amounts will be payable upon delivery to Buyer of any completed goods. If Buyer shall have made payments of the purchase price to Seller that in the aggregate exceed the total amounts payable by Buyer to Seller under the preceding provisions, then Seller shall promptly refund the excess to Buyer. Termination under this paragraph will not impair Seller's obligations or Buyer's rights under Paragraphs 5, 7, 12, 13, 15, 16, 19, 20, 21 and 22 of these Terms of Purchase.

12. Buyer's Rights. Without limiting other rights and remedies available to it, Buyer may, at its option, (a) return nonconforming goods to Seller, at Seller's risk and expense, and require Seller either to give Buyer full credit against the price, or promptly to repair or replace the goods at Seller's risk and expense; (b) retain the goods and set-off losses against any amount due Seller; or (c) repair or replace the goods and charge Seller with the expense.

If at any time Seller defaults in the performance of any of Seller's obligations to Buyer, Seller repudiates any contract formed pursuant to the order, or any warranty or representation that Seller made to Buyer in or in connection with the contract is false or misleading, then Buyer may terminate any contract formed pursuant to the order, in whole or in part, and Seller, to the extent demanded by Buyer, shall immediately deliver to Buyer all finished and unfinished goods, work-in-process, and raw materials acquired for use in the manufacture or processing of the goods and any designs, specifications or software that Buyer is purchasing from Seller. Payment of part or all of the purchase price by Buyer shall not be a precondition to Seller's obligation to make the delivery. After Buyer's damages for Seller's breach or repudiation (including, without limitation, any cost of "cover" or of completing the manufacture or processing of the goods) are determined, Buyer shall pay to Seller any excess of the purchase price over Buyer's damages. Termination by Buyer under this paragraph will not impair Seller's obligations under Paragraphs 5, 7, 13, 15, 16, 19, 20, 21 and 22 of these Terms of Purchase.

In addition to Buyer's rights set out in these Terms of Purchase, Buyer has all of the other rights and remedies that the law gives to buyers, including the right to recover incidental and consequential damages resulting from any breach by Seller. Buyer will not lose any right just because it did not exercise it. A reasonable time for Buyer to reject or revoke acceptance of the goods is not less than one year from the date of delivery. Buyer will have the full statutory period of limitations to bring any action arising out of Buyer's agreement with Seller. Seller agrees that a reasonable time for Buyer to notify Seller of any breach is not less than two years from when Buyer discovers the breach.

13. Furnished Items. Any drawings, specifications, methods of manufacture, intellectual property, documents and other information and any tooling or other property that Buyer may furnish to, or acquire from, Seller in connection with Seller's manufacture of the goods or performance of the services ("Furnished Items") are and at all times shall remain Buyer's property. Seller will maintain in good condition any Furnished Items; mark the Furnished Items "Property of Alexander Binzel Corporation"; not commingle the Furnished Items with property of Seller or third parties; allow Buyer to inspect and examine them at any time; and return them to Buyer upon its request. All Furnished Items are confidential, and Seller will not furnish any of them, or disclose their contents, to any third party (including any of its suppliers) or use any Furnished Items in the manufacture or sale of products to, or in the performance of services for, any third party.

14. Government Contracts. If the goods or services covered by the order are to be used by Buyer in connection with a contract with the United States or other government, then all terms and conditions required by the government contract or by applicable law or regulation with respect to the order ("Government Terms") are incorporated herein by reference. If any provision of the order is inconsistent with any Government Term, the Government Term will control.

15. Insurance. Seller shall maintain insurance coverage that will fully protect both Seller and Buyer from any and all claims and liabilities of any kind or nature for property damage, personal injury, death, and economic damage, to any person, that shall arise from the goods or their use or the performance of the services or any activities connected therewith. If services are covered by the order, Seller shall maintain employee's liability and compensation insurance that will protect Buyer from any and all claims and

liabilities under any applicable worker's compensation or occupational safety and health laws. All insurance required by this paragraph shall be in such amounts and coverages, shall name Buyer as an additional insured and loss payee, and shall be issued by such insurers, as shall be satisfactory to Buyer. Upon request by Buyer at any time, Seller shall furnish Buyer with certificates evidencing this insurance.

16. Prepayment. If Buyer pays any part of the purchase price of the goods before delivery to Buyer, (a) title (but not risk of loss) to the goods paid for shall pass to Buyer upon identification of the item to the contract, (b) to the extent necessary to protect Buyer's title to the goods, Seller grants Buyer a security interest in the goods to secure Seller's obligation to deliver them to Buyer and all of Seller's other present and future obligations to Buyer and (c) Seller shall obtain from each person that holds a security interest in or lien upon the goods a written agreement releasing that security interest or lien or subordinating it to Buyer's interest in the goods.

17. Work on Premises. If performance of services by Seller or delivery, installation or servicing of the goods by Seller involves operations by its employees or subcontractors on the premises of Buyer, (a) Seller shall at all times enforce strict discipline and maintain good order among all persons engaged in the services and shall cause them to comply with all fire prevention and safety rules and regulations in force at the premises, and (b) Seller shall keep the premises free from accumulation of waste materials and rubbish caused by performance of the services and upon completion shall promptly remove all of Seller's equipment and surplus materials.

18. Services. If the order covers services, (a) Seller is an independent contractor, and neither Seller nor any of Seller's employees or agents shall be considered agents or employees of Buyer, and (b) Seller shall furnish, at Seller's expense, all labor, materials, equipment, transportation, facilities, and other items necessary to perform the services.

19. Confidentiality and Non-Use. Seller shall not sell or offer to sell or otherwise provide to anyone other than Buyer any goods made in accordance with any drawings, designs or specifications that Buyer furnishes to Seller or that incorporate, embody or are made in accordance with any of Buyer's intellectual property. Seller shall maintain the confidentiality of, and shall not disclose or use or permit to be disclosed or used or to be viewed by any third party (including any of Seller's suppliers), the goods, any designs of or specifications for the goods, any Buyer Property or any information concerning Buyer's business, operations or activities, including, without limitation, information concerning Buyer's present or proposed products, product developments, plans, strategies, finances, know-how, sales, customers and marketing or sales techniques ("Confidential Information"), except that Seller may disclose Confidential Information to a third party (other than a competitor of Buyer or a subsidiary or affiliate of a competitor) to the extent disclosure is necessary in order for Seller to perform its obligations under the Contract. If Seller breaches or threatens to breach this paragraph or Paragraph 13, then Buyer's remedies at law will be inadequate. Therefore Buyer shall have the right of specific performance or injunctive relief, or both, in addition to any and all other remedies and rights at law or in equity, and Buyer's rights and remedies shall be cumulative.

20. Intellectual Property. All inventions (whether or not patentable), devices, technologies, ideas, improvements, processes, systems, trademarks, trade names, trade dress, service marks, names, software and other works and matters that Seller creates or develops in the course of Seller's performance of the services or Seller's design or development of the goods for Buyer, including all proprietary rights in the foregoing ("Intellectual Property") shall be Buyer's sole property, and Seller assigns, and agrees to assign, to Buyer all right, title and interest that Seller now has or in the future acquires in the Intellectual Property. All copyrightable works that Seller creates or develops in the course of Seller's performance of the services or Seller's design or development of the goods for Buyer shall be considered "works made for hire" within the meaning of the federal Copyright Act of 1976, as amended, and under the equivalent laws of any other country. To the extent that any such copyrightable work is not considered a "work made for hire," it shall be the sole property of Buyer, and Seller assigns, and agrees to assign, to Buyer all right, title and interest that Seller now has or in the future acquires in it and in all copyright rights in it. Seller shall sign and deliver to Buyer all assignments and other documents, and Seller shall take all other actions, that Buyer requests for the purpose of perfecting Buyer's ownership of and title to the Intellectual Property and in any copyrightable work that is not considered a "work made for hire" and in all copyright rights in it. If the goods or their design are subject to any pre-existing patent rights or other proprietary rights that Seller holds, then Seller grants to Buyer an irrevocable, non-exclusive, royalty-free license of the patent rights and other proprietary rights to the extent necessary to enable Buyer to modify, repair or rebuild any or all of the goods. This license is in addition to all licenses impliedly granted to Buyer as a purchaser of the goods. Seller shall not use Buyer's name or any trademark, trade name, service mark or trade dress that Buyer owns or that is licensed to Buyer or to any affiliate of Buyer, without Buyer's express, written consent, and Seller shall not sell to anyone other than Buyer any goods bearing any such trademark, trade name, service mark or trade dress.

21. Unsafe or Unfit Goods. If a governmental agency declares that any of the goods or any material included in any of the goods or any packaging or supplies used in connection with the goods, or if Buyer at any time believes in good faith that any of the goods or any such material, packaging or supplies, (i) does not or may not conform with an applicable consumer product safety standard or (ii) is or may be otherwise unsafe or unfit for the intended use of the goods, then, without limiting other rights and remedies that are available to Buyer under these Terms of Purchase or applicable law, (1) Seller shall give Buyer written notice of any such declaration and shall furnish to Buyer copies of the declaration and of all relevant notices, documents and correspondence, (2) Seller shall stop including the material in the goods, (3) Buyer may terminate the order or the Contract, without liability to Seller, by giving written notice to Seller, which shall be effective immediately or on any later date that the notice specifies, (4) if Buyer does terminate, then (a) Buyer's obligations under the Contract shall terminate immediately and Buyer shall not be obligated to pay Seller damages or other compensation by reason of the termination and (b) Seller shall, unless Buyer

directs otherwise, stop work and acquisition of materials under the Contract and protect property in Seller's possession in which Buyer has or may acquire an interest, (5) Buyer shall have the right (a) to recall (i.e. purchase or repurchase) any or all of the goods from its customers and end-users and any others having possession of the goods, and Seller shall reimburse Buyer for all costs that Buyer incurs in doing so and shall assist Buyer and any applicable governmental agency in the recall, to the extent that Buyer requires Seller to do so, and (b) to return to Seller, at Seller's expense, all such goods, packaging or supplies that Seller shall have previously delivered to Buyer and to require Seller to refund the price to Buyer, whether or not Buyer would then have the right under applicable law to reject or to revoke acceptance of those goods, packaging or supplies, (6) to the extent that Buyer requests, Seller shall assist Buyer in any or all aspects of a recall, including, without limitation, developing a recall strategy and preparing and furnishing reports, records and other information, (7) if Seller demonstrates to Buyer's satisfaction that there is a safe and fit substitute for any such material, packaging or supplies and that the substitute conforms to all of the requirements of the Contract and that Seller can and will use the substitute in or with respect to the goods, then Buyer shall have the right, but no obligation, in Buyer's sole discretion, to reinstate the Contract and to require Seller to perform in accordance with the Contract, except that Seller shall use the substitute goods or materials, and (8) whether or not Buyer terminates and/or reinstates the Contract, Seller shall pay to Buyer an amount equal to all damages that Buyer incurs by reason of the declaration by the governmental agency and/or such good faith belief by Buyer and any resulting recall or delay in performance or return of goods to Seller and/or any termination of the Contract by Buyer.

22. Other Terms. Seller shall not have, and hereby waives, any security interest in or lien (including any common law or statutory lien) upon any Furnished Items or the goods. Seller may not delegate or subcontract any of its obligations under the order without Buyer's written consent. Buyer may deduct from, recoup and set off against, any amounts at any time owing to Seller under the order any damages or other amounts then owing to Buyer by Seller, whether under the order or otherwise and whether Seller shall have assigned its rights to payment under its agreement with Buyer. The rights of any such assignee shall be subject to all the terms of Seller's contract with Buyer and to all claims and defenses that Buyer has against Seller. If at any time Buyer has reasonable grounds for insecurity as to Seller's performance, Seller shall provide adequate assurance of due performance within 10 days after demand by Buyer, which is agreed to be a reasonable time.

23. Applicable Law. This agreement has been made in Maryland, and it will be governed by, and interpreted according to, Maryland law. If Buyer and Seller get into a lawsuit, it may be handled by any appropriate state or federal court in Maryland, and Seller waives any objection that such court is an inconvenient forum and consents that such court will have personal jurisdiction over Seller.

24. Complete Agreement. Seller has not made any promises or representations to Buyer, and Buyer has not made any to Seller, that are not in this agreement. Any change in, or waiver of, any provisions of this agreement must be in writing signed by an authorized officer of Buyer.

677210-4