

TERMS & CONDITIONS OF PURCHASE

The following terms and conditions apply to purchases of goods or services ("Items") from Component Engineers, Inc., Inc., a corporation with offices at 108 North Plains Industrial Road, Wallingford, Connecticut, or its affiliates identified on this Order (the "Company") and the Customer identified on the face hereof (the "Customer"):

ACCEPTANCE - Our acceptance of Customer's Order is expressly conditioned on Customer's acceptance of Company's terms and conditions stated below. Customer shall be deemed to accept Company's terms and conditions if Customer does not reject such terms within three (3) business days by giving written notice identifying the rejected provisions and the reasons therefor. Company rejects any Customer terms at variance with or supplemental to this Order.

PRICES - This Order shall be completed at the prices stated herein.

CHANGES - Any change in pricing, quantities, or specifications must be agreed to by both parties. No change order will be binding on Company unless acknowledged by an authorized representative of Company. Company may at any time, by written notice, suspend performance in whole or in part on this Order.

RISK OF LOSS - Risk of loss and title to purchased items shall remain with Company until the Items are shipped to Customer's designated destination. Company will not be responsible for returning any scrap or fallout associated with Customer's supplied materials. Customer bears the risk of loss or damage in shipping.

INSPECTION AND RETURNED ITEMS - Customer must inspect all Items immediately upon receipt and give Company written notice of any claimed defects within thirty (30) days after receipt. If Customer fails to give such notice, Items shall be deemed acceptable as shipped. Company must be notified in advance before any Items are returned. All returned Items must be returned by a return authorization. Failure to obtain a return authorization may result in Items being refused and returned to Customer. Items should be returned in the original packaging and fully protected for shipment. No used items will be accepted for return. A 20% restocking fee will be charged on any standard catalog items returned in new condition.

SHIPPING - Freight will be prepaid and billed. Unless otherwise specified on the order, all Orders will ship FOB shipping point. A nominal handling charge will be added for each Order to cover handling and transportation costs.

INVOICING & PAYMENT - The standard open account terms are Net (thirty) 30 days, subject to credit approval by Company. Customer having insufficient information for open account terms may be offered alternative payment options of prepayment prior to shipment, C.O.D., Visa, Master Card, or American Express. Quoted pricing is based on standard terms and any deviation from these terms may result in a reevaluation of the quoted price. A service charge of 1.5% per month will be charged on all accounts thirty (30) days past due. If payment is more than sixty (60) days past due, the account will be placed on "credit hold" status. No shipments will be made when an Order is in credit hold status and all work in process will be stopped. If it becomes necessary to place an account for outside collection, Customer will be required to pay all costs of collection, including reasonable attorney fees, costs and expenses.

PROPRIETARY RIGHTS AND CONFIDENTIALITY - Customer represents and warrants that Items supplied under this Order will not infringe any third party patent, trade secrets, copyrights or other intellectual property rights and Customer will defend, indemnify and hold Company harmless from all damages, costs and expenses (including reasonable legal fees) from any claim to contrary. All proprietary or confidential information obtained by Customer from Company in connection with this Order is received in confidence, shall remain the property of Company, and shall be used by Customer only to the extent necessary for the performance of this Order,

WARRANTY/LIABILITY - Company warrants only that Items conform to Customer's specifications [NEED TO DISCUSS WITH CLAYTON]. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THOSE OF MERCHANTABILITY AND FITNESS, ARE EXCLUDED. Company is not liable for any direct or consequential damages arising from any design assistance it provides or use of this product, and Customer agrees to indemnify and hold harmless from any such claims or damages and related costs and expenses, including attorney fees.

CHOICE OF LAW & FORUM - Company's agreement with Customer is to be construed according to the laws of the Connecticut. Exclusive jurisdiction and venue of any dispute involving this Order shall be in the state or federal courts in Connecticut.

GENERAL PROVISIONS - This Order and the terms of Customer's Order not inconsistent with this Order contain the entire and exclusive agreement between the parties and may be amended only in a writing signed by Company's authorized representative. Company's waiver of any provision shall be effective only if contained in a signed writing. Customer shall not assign, delegate or subcontract this Order or any rights hereunder without the prior written of Company and any attempt to the contrary shall be void and of no legal effect.

Component Engineers, Inc., - Terms & Conditions of Purchase