

Purchasing Terms and Conditions

1. Agreement by Seller to furnish goods and service hereby ordered, or Seller's beginning to furnish such goods and services in whole or in part, shall constitute acceptance by Seller of this purchase order subject to these terms and conditions. Any terms and conditions proposed by Seller inconsistent with or in addition to these terms and conditions shall be void and of no effect unless CPI specifically agrees to such terms and conditions in writing. Furthermore, none of these terms and conditions can be altered except by a written instrument signed by the president or vice president ("an authorized representative") of CPI and delivered by Seller to CPI. Specifications, drawings and data submitted to the Seller with the order are made part of the purchase order. Seller's commencement of work on the goods subject to the purchase order or the shipment of goods shall constitute acceptance of the purchase order, including these terms and conditions.
2. Seller must furnish the entire quantity ordered herein and Seller cannot vary said quantity unless an authorized representative of CPI agrees in writing to accept a different quantity. CPI reserves the right to return any quantities shipped ahead of schedule, or retain same and pay for goods in accordance with the scheduled delivery date. Seller shall not make material commitments or production arrangements in excess of the amount, or in advance of the time necessary, to meet CPI's delivery schedule, except at Seller's own risk.
3. Seller shall make no unauthorized change or substitution in the design, material, or process of this product or service. All changes or substitutions must be accepted in writing by CPI prior to shipment.
4. Invoices will be paid based upon the pricing of this Purchase Order only. Any increases in pricing must be approved in writing, in the form of a revision to this Purchase Order, prior to receipt of invoice. Any invoice amount that exceeds the pricing on this Purchase Order will be considered invalid.
5. Any changes in lead time or delivery dates must be approved in writing in the form of a revision to this Purchase Order.
6. CPI reserves the right to cancel any unfilled part of this order without any liability whatsoever in the event (a) Seller does not make deliveries as specified, time being of the essence of this Order, or (b) Seller breaches any of the terms hereof, including, without limitation, the warranties of Seller, or (c) Seller becomes unable to meet its obligations as they mature, or (d) any proceedings, voluntary or involuntary, in bankruptcy or insolvency, are instituted by or against the Seller, or (e) an assignee for the benefit of creditors or a receiver is appointed for Seller, with or without Seller's consent.
7. At any time CPI may change the purchase specifications, quantities, packaging, time and place of delivery and method of transportation. If any such changes cause a material increase or decrease in the cost or time required for performance, the parties agree to make an equitable adjustment and modify this Order accordingly. Seller agrees to negotiate in good faith any such adjustments. Any claim by Seller for adjustment under this paragraph shall be deemed waived unless CPI is notified, in writing, within fourteen (14) days of receipt by Seller of the change. Price increases or extensions of time of delivery shall not be binding on CPI unless approved in writing by CPI.

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8. CPI may at any time of its convenience terminate this Order, in whole or in part by notice, via written, electronic mail, facsimile overnight courier or verbal notice confirmed in writing. If this Order is terminated for convenience, any claim of Seller shall be settled on the basis of the reasonable costs it has incurred in the performance of this Order.
9. In addition to all warranties which may be prescribed by law, Seller warrants that all goods purchased hereunder will be free from defects in design, material and workmanship, will conform to accepted samples or the specifications of CPI, and if ordered for a stated or known purpose of CPI, will be fit for such purpose for one year after CPI receives the goods. Seller's warranty shall extend beyond CPI's inspection. CPI's failure, negligence, or otherwise to discover any nonconformity, defect or unsuitability will not preclude CPI from obtaining the full benefit and protection of Seller's warranties herein. Payment for goods purchased hereunder is without prejudice to any and all claims that CPI may have against Seller. The warranty survives acceptance of goods and inures to the benefit of CPI, its successors, assigns, customers and users of the goods. ALL PRODUCTS MUST BE FACTORY STOCK FRESH, NO REFURBISHED COMPONENTS.
10. CPI will receive all goods purchased subject to its rights to inspection and rejection, CPI will be allowed a reasonable period of time to inspect the goods and to notify Seller of any nonconformity, defect or unsuitability. Goods not in accordance with CPI's specifications or otherwise defective and unsuitable will, at CPI's option, be returned to Seller or be held by CPI for Seller's instructions, and, in either case, at Seller's risk and expense. If inspection discloses, that part of the goods are not in accordance with CPI's specification, or are otherwise defective or unsuitable, CPI shall have the right to cancel any unshipped portion of this order. Payment for goods before inspection shall not constitute acceptance thereof and is without prejudice to any and all claims CPI may have against Seller.
11. CPI reserves the right to waive performance of any condition contained herein. Waiver by CPI of any condition with reference to any shipment hereunder shall not be considered a waiver of that condition for subsequent shipments hereunder. All rights and remedies of CPI stated herein are nonexclusive and in addition to all other rights and remedies provided by law.
12. If the price is omitted on the other side hereof, Seller's price shall be the lower of the following: the lowest prevailing market price at the time this order is acknowledged by Seller, or the purchase order price last quoted by Seller.
13. No additional charge of any kind, including but not limited to, charges for boxing, packing, cartage or other extras, will be accepted, unless an authorized representative of CPI agrees in writing to such additional charges.
14. Transportation agency (railroad, railway express, motor truck, air freight, etc.) and route used must result in the lowest shipment rate possible, consistent with the service required, except when otherwise specified by CPI in writing. Seller shall bear any increased shipping charge, or penalties due to Seller's failure to comply with this provision.
15. Unless otherwise provided in the Order, Seller shall hold CPI harmless from the assessment or imposition of any excise, use or other tax (however designated) or customs duties upon the production, sale, delivery or use of the goods to the extent such assessments or imposition are required or not forbidden by law to be borne by Seller.

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16. The cash discount period will date from CPI's receipt of goods or from the date of the invoice, whichever is later.
17. Unless CPI agrees in writing, all tools, tooling equipment, patterns, dies, designs, sketches, blueprints, and special appliances furnished or paid for by CPI, or copies thereof made by Seller shall be used exclusively in the preparation of goods ordered by CPI and remain the sole property of CPI. Seller shall procure and maintain, at its own expense, appropriate insurance at replacement value insuring any such tools against theft or damage. Seller agrees to furnish evidence of such insurance to CPI as CPI may request from time to time. The property of CPI can be withdrawn from Seller's plant by CPI on a no charge basis upon reasonable notice and payment of freight costs.
18. Seller shall indemnify and hold harmless CPI and its officers, employees, agents, affiliates, customers and users from and against all liabilities, losses, claims, actions, costs, expenses and disbursements (including attorney's fees and disbursements), related to any investigation, litigation or other proceeding which arises or is alleged to arise in connection with the Products or otherwise from Seller's acts or omissions under this Order. Without limiting the foregoing, Seller (at its own expense) shall indemnify and hold harmless CPI and defend or settle any action brought against CPI to the extent that it is based on a claim that any Product infringes a patent, copyright, trademark or other intellectual property right. Seller will agree to furnish evidence of insurance at the request of the CPI.
19. Risk of loss or damage to the goods shall be on Seller until the goods purchased hereunder have been delivered to CPI, notwithstanding any other terms contained herein.
20. Seller warrants that all goods purchased hereunder will be produced and sold in compliance with applicable requirements of the Fair Labor Standards Act and with the regulations and orders of the United States Department of Labor. Further, Seller warrants to comply with all applicable laws, rules and regulations of governmental authority covering the production, sale and delivery of the goods. If the purchase order specifies that Seller's products be made in the USA, Seller so warrants that all goods purchased hereunder will be made in the USA pursuant to Federal Trade Commission rules and regulations.
21. If any provision in the Order is invalid or unenforceable in any respect, the validity and enforceability of the remaining provisions of the Order shall not be affected.
22. Except as otherwise provided herein, this Order and all rights and obligations hereunder shall be governed in accordance with the laws of the United States and the State of Illinois, including the Uniform Commercial Code as adopted in the State of Illinois.
23. Upon notice to Seller, CPI may deduct damages for breach of warranty or any other provision of the Order from the amount shown as due Seller on any invoice, irrespective of whether the deduction and the invoice are unrelated to the same sale or series of sales.
24. All information and materials supplied by CPI relating to the Products are proprietary to, and may contain trade secrets of CPI. Seller may not reproduce or distribute such information to any third party or any other person except its own employees who require such information as part of their duties. Seller shall strictly maintain the confidentiality of all such information furnished by CPI (except information previously available to Seller and information in the public domain or disclosed pursuant to a binding governmental requirement).

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25. Seller's obligations and liabilities hereunder may not be assigned or subcontracted by Seller in whole or in part without the prior written approval of CPI.
26. CPI may delay delivery or acceptance occasioned by reason of force majeure or other causes beyond its control. Seller shall hold such goods at the direction of CPI and shall deliver them when the cause affecting delay has been removed. CPI shall be responsible for any direct additional costs for holding the goods or delaying performance of this Agreement at CPI's request. Causes beyond the CPI's control include, without limitation, government action or failure of the government to act where such action is required, strike or other labor trouble, fires or unusually severe weather.
27. During the term of this purchase order, Seller shall maintain occurrence –based liability insurance and product liability insurance with a reputable and secure insurance carrier satisfactory and acceptable to CPI for the coverage of amounts no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate; \$1,000,000 per occurrence and in the aggregate in umbrella coverage; and \$100,000 per occurrence, \$100,000 disease per employee and \$500,000 disease in the aggregate workers compensation coverage and any additional insurance that may be required by applicable laws, ordinances, governmental rules and regulations. Seller shall provide CPI with a certificate of such insurance showing CPI as an additional insured.