

# PURCHASE ORDER TERMS AND CONDITIONS

## IMPORTANT - READ CAREFULLY

1. ACCEPTANCE; PURCHASE ORDER CONSTITUTES ENTIRE AGREEMENT -- This Order constitutes Buyer's offer and may be accepted by Seller (or Contractor where applicable) only in accordance with the terms and conditions hereof. When accepted by Seller, this Order shall become a binding contract and shall constitute the entire agreement between the Buyer and Seller and shall supercede any other agreements or understandings made prior to the date of this Order. This Order may be accepted by Seller by commencement of work, shipment of goods, or furnishing of services hereunder. Dispatch of Seller's acknowledgement form or other written document will also act as an acceptance if it agrees with this Order with respect to the description, amount, price and time of delivery of the goods or services ordered. No change in, modification of, or revision to this Order shall be binding upon Buyer unless made in writing and signed by Buyer.

2. CHANGES -- Buyer shall have the right at any time to make changes in this Order by written notice to Seller, and Seller agrees to comply with such changes. If such changes cause a material increase or decrease in Seller's costs or time of performance of this Order, Seller shall notify Buyer immediately and negotiate an adjustment. No change in, modification of, or revision to this Order shall be binding upon Buyer unless made in writing and signed by Buyer.

3. PRICE -- The price charged Buyer for any Item shall be mutually agreed to between Buyer and Seller. If this Order is not priced, it shall not be filled at prices higher than those last quoted and charged Buyer for the same articles. Should the Seller invoice contain different pricing that that of this Purchase Order, the Purchase Order pricing shall prevail. All applicable taxes shall be stated separately on Seller's invoice. Seller shall remit all such charges to the appropriate tax authority unless Buyer provides sufficient proof of tax exemption. Charges for boxing, packaging or cartage will not be allowed or paid by Buyer unless otherwise expressly stated on this Order. Goods are purchased on a delivered basis. An element of freight is included in the purchase price of the materials. All freight charges are to be paid by the supplier to the carrier without further liability to Curtis Engine & Equipment Co., Inc., or its customer and/or consignee.

4. SHIPPING -- All goods and merchandise shall be suitably packed and prepared for shipment in a means justified by the shipping distances to Buyer's designated locations and in compliance with carrier regulations. All items shall be prepared in a manner that: (i) follows good commercial practice; (ii) is acceptable to common carriers for shipment at the lowest rate; and (iii) is adequate to ensure safe arrival. Buyer reserves the right to route all shipments. Delays in shipment shall be reported immediately by Seller to Buyer. Every package or other shipping unit, bill of lading, shipping memorandum and invoice must be marked with Buyer's Purchase Order Number and any other information required to identify the goods and merchandise.

5. TIME OF THE ESSENCE -- Time of shipment and of other aspects of performance hereunder is of the essence of this agreement.

6. DELIVERY/TITLE -- Unless otherwise agreed, delivery shall be F.O.B. point of destination and title shall pass to Buyer upon acceptance at the final delivery point. Risk of damages or loss following shipment and prior to acceptance by Buyer shall be the responsibility of Seller.

7. RIGHT OF INSPECTION AND REJECTION -- Material and equipment supplied by Seller shall be received subject to Buyer's inspection and approval within a reasonable time after delivery, notwithstanding prior payment. If specifications or warranties are not met, material and equipment may be returned at Seller's expense. No material or equipment returned to Seller as defective shall be replaced except upon Buyer's formal authorization.

8. ASSIGNMENT -- No assignment of this Order, or of any moneys due or to become due hereunder, shall be binding upon Buyer without Buyer's written consent thereto.

9. GOVERNING LAW -- This Order, and the rights and obligations of the parties thereto, shall be governed by the laws of the State of Maryland.

10. WARRANTY -- Seller warrants that all goods or services furnished pursuant to this Order will be free from defects in material or workmanship and safe to use; will be in conformity with the requirements of this Order, including any agreed-to drawings and specifications and quality provisions; and will be free of liens and encumbrances. Buyer's approval of Seller's design or material shall not be construed to relieve Seller of the warranties set forth herein. Without limitation of any rights which Buyer may have at law by reason of any breach of warranty, Seller shall, at Buyer's option, promptly repair, replace, or refund the amount paid for goods which are not as warranted at any time within twelve (12) months after acceptance.

11. INVOICES -- All invoices shall be mailed to Buyer at its office as indicated below and will state Buyer's Purchase Order Number clearly on the invoice. No invoice shall be delivered by Seller to any employee of Buyer. An itemized delivery ticket, bearing Buyer's Purchase Order Number as shown hereon, must be left with the goods to insure their receipt. The payment discount period will date from receipt of the invoice and not from the date of the invoice. In case of errors on an invoice, the payment discount period will date from the receipt of corrected invoices. The billing address for vendor invoices is as follows:

Curtis Engine & Equipment Company, Inc.  
Attn.: Accounts Payable  
3915 Benson Avenue  
Baltimore, MD 21227

12. PATENT INDEMNITY -- Seller agrees to indemnify, defend, and hold harmless Buyer from and against any and all suits, claims, damages, costs, and attorney's fees arising out of or in connection with any infringement or claimed infringement of any United States patent, trademark or copyright in the manufacture, use or sale of the equipment or materials furnished under this Order. In case said equipment or material is in such suit, or in final adjudication elsewhere, held to constitute infringement, and the use thereof is enjoined, Seller shall, at its own expense, either procure for Buyer the right to continue using said equipment or material, or at the option of Buyer, either replace same with equally efficient noninfringing equipment or material, or modify it without impairing its efficiency so it becomes noninfringing, or remove said equipment or material and refund the purchase price and the transportation and installation costs thereof.

13. INDEMNITY AND INSURANCE -- Seller shall defend, indemnify and hold harmless Buyer from any claims, suits, judgments, fees and costs (including attorney's fees) based on or arising out of the Seller's products, services and/or the resale or use of the products purchased hereunder including death, personal injury, or damage to property. Seller agrees to procure and maintain the following minimum insurance coverage:

(a) Commercial General Liability and Automobile Liability insurance with limits of liability not less than \$1,000,000 per occurrence and including liability coverage for bodily injury or property damage (1) assumed in a contract or agreement pertaining to Seller's business and (2) arising out of Seller's product, services, or work.

(b) In the case of on-site services provided by Seller, Seller shall provide evidence of Worker's Compensation with statutory limits and a waiver of subrogation in favor of Buyer, and Employer's Liability with limits not less than \$1,000,000 each accident and \$1,000,000 Disease – Each Employee. Such insurance shall include an insurer's waiver of subrogation in favor of Buyer.

(c) If Seller is providing any professional service to Buyer, Seller shall maintain professional liability insurance (including errors and omissions coverage) with liability limits not less than \$1,000,000.

The above coverages shall name Buyer as additional insured. Seller's insurance shall be primary, and any applicable insurance maintained by Buyer shall be excess and non-contributing.

Evidence of such coverage, in the form of a Certificate of Insurance and providing for thirty (30) days notice to Curtis Engine & Equipment, Inc. prior to cancellation, shall be sent to Buyer not later than seven (7) days following Seller's acceptance of this Order.

14. COMPLIANCE WITH LAWS -- Seller, in the performance of this Order, agrees to abide by all Buyer's rules and regulations while on Buyer's premises or performing services for Buyer including, but not limited to safety, health, environmental and hazardous material management rules, and rules prohibiting misconduct on Buyer's premises such as physical aggression, harassment, and theft. In addition, Seller agrees to comply with all applicable federal, state or local laws.

15. CHEMICAL SUBSTANCE IDENTIFICATION -- By acceptance of this Order, Seller certifies that any chemical substance(s) furnished pursuant to this Order has been properly labeled, and that proper information on the substance(s), e.g., material safety data sheets, have been provided to Buyer, pursuant to all federal, state or local laws and regulations.

16. TERMINATION -- Buyer, by written notice, may terminate this order, in whole or in part at any time. In the event this order is terminated as a result of Seller's default, the Seller shall be liable for all damages allowed in law or equity, including the excess cost of reprocurring similar items. If this order is terminated for the convenience of Buyer, Seller will be compensated to the extent that items have been accepted by Buyer prior to the effective date of termination. Other than to this extent, Buyer shall not be liable to Seller for any damages on account of its failure to accept all of the items ordered.

17. CONFIDENTIALITY/TRADE SECRETS -- All specifications, data and other information furnished by Buyer, or its agents, to Seller in connection with this order remain the exclusive intellectual property of Buyer and shall be treated by the Seller as proprietary and shall not be disclosed or used, outside the limitation of this order, without prior written approval of the Chief Operating Officer of Buyer. In addition, the purchase of the Seller's product does not authorize the Seller to use the name of or make reference to Buyer for any purpose in any releases for public or private dissemination, nor shall the Seller divulge or use in any advertisement or publication any specifications, data, or other information pertaining to or relating to this usage without prior written approval of the Chief Operating Officer of Buyer.

18. SUBMITTALS – If applicable, Seller agrees to furnish submittals, shop drawings, operation and maintenance manuals and specifications materials and other specified items for approval by Buyer so as not to delay the progress of the work.

19. SAFETY – In the case of on-site services provided by Seller, Seller shall have a safety program and demonstrate an Experience Modification Rate (EMR) of 1.0 or less and an Incident Rate of 9.0 or less. This information for Seller and any subcontractor that the Seller intends to use shall be sent to the Buyer not later than seven (7) following Seller's acceptance of this Order.

20. SECURE FACILITIES – In case the place of performance is a Secure Facility, all visitors shall, in accordance with the facility's procedures, obtain and display the appropriate facility-issued badge that identifies the individual. Uncleared individuals being processed for access to Secure Government sites are subject to fingerprinting on an annual basis via the FBI Integrated Automated Fingerprint Identification System (IAFIS) through which local, state, and federal background checks are performed. Any uncleared visitor who refuses to be fingerprinted will be immediately denied access to the facilities.