

DAISY DATA DISPLAYS, INC. TERMS & CONDITIONS OF PURCHASE

PurchaseTerms&ConditionsFeb07ddd.doc

1. DEFINITIONS: "Materials" means any materials, machinery, equipment, article, item, service or work described or referenced in this Purchase Order ("Order"); "Seller" means the person, firm or corporation to whom this Order is issued; "Buyer" means Daisy Data Displays, Inc.; "Owner" means the person, firm, corporation or government agency owning the plant or equipment to whom the Materials are ultimately to be delivered by, or at the order of, the Buyer in accordance with this Order.

2. ACCEPTANCE AND ADMINISTRATION: By accepting this Order, either formally or by means of partial or complete performance hereunder, Seller agrees that this Order contains the entire agreement of the parties and supersedes all quotations, prior agreements and understandings, both written and oral, among the parties with respect to the subject matter of this Order. **THIS ORDER IS AN OFFER TO BUY WHICH EXPRESSLY LIMITS SELLER'S ACCEPTANCE TO THE TERMS OF THE OFFER AND BUYER WILL NOT BE BOUND BY ANY TERMS WHICH ARE NOT CONTAINED IN THIS OFFER.** The rights and remedies available to Buyer herein are in addition to any other rights or remedies provided by law or equity. Seller will not assign this Order nor substantially delegate any of its duties in connection with this Order without the prior written consent of Buyer. All matters relating to the validity, interpretation, meaning and performance of this Order shall be decided in accordance with the laws of the State of Pennsylvania, U.S.A.

3. DELIVERIES: **TIME IS OF THE ESSENCE IN THE PERFORMANCE OF THIS ORDER.** If delivery or performance cannot be made on time, Buyer may cancel this Order, purchase elsewhere and charge Seller for any loss incurred as a result thereof, except that Seller will not be charged for deliveries or performance which cannot be timely made due to causes beyond its reasonable control, including but not limited to: acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, embargoes or delay or late delivery by a vendor of Seller which reasonably could not have been corrected by Seller. To be exempted under this clause, Seller must notify Buyer, in writing, of any such causes with ten (10) days after Seller becomes aware of such circumstance. Acceptance by Buyer of a later performance of either the whole or a part of this Order shall not constitute a waiver of Buyer's claim for any damage which may have been caused nor of any future late performance.

4. PATENTS: Seller warrants that the sale or use of the Materials furnished hereunder will not infringe any patents, trademarks or trade names or embody any unauthorized use of trade secrets either in the United States or in foreign countries, and

Seller agrees to indemnify and hold harmless Buyer, Owner and the users of its products against any and all claims, demands, expenses and liabilities arising from such actual or alleged infringement or unauthorized use.

5. **CONFIDENTIAL INFORMATION: ALL DRAWINGS, SPECIFICATIONS, TECHNICAL INFORMATION, EXPERIENCE, KNOW-HOW OR SIMILAR CONFIDENTIAL INFORMATION DISCLOSED BY BUYER TO SELLER, TOGETHER WITH DOCUMENTS CONTAINING SUCH INFORMATION, ARE THE CONFIDENTIAL PROPERTY OF THE BUYER.** Seller shall not disclose such confidential property to its employees or to any third party except on a need-to-know basis to enable Seller to manufacture and supply to Buyer the Materials, and the Seller shall take all reasonable steps to maintain the confidentiality of all such confidential property.

6. **WARRANTIES: SELLER EXPRESSLY WARRANTS THAT THE MATERIALS FURNISHED UNDER THIS ORDER WILL BE FREE FROM DEFECTS IN MATERIAL AND WORKMANSHIP, WILL CONFORM IN QUANTITY, QUALITY, PERFORMANCE, FORM AND CONTENT TO APPLICABLE SPECIFICATIONS, DRAWINGS, SAMPLES OR OTHER DESCRIPTIONS GIVEN, WILL BE FIT FOR THE PURPOSE INTENDED, MERCHANTABILITY, FREE FROM DEFECTS OR ERRORS, AND WILL BE FREE FROM DEFECTS IN DESIGN** to the extent that such design is not furnished by Buyer, but Seller shall immediately inform Buyer of any real or perceived defect in Buyer's design which Seller discovers. In the event of any defect, error or failure in Seller's Materials, Seller, at Buyer's option, shall without any increase to the contract price replace such Materials or correct such defects or failure within ten (10) days after written notice from Buyer, including all freight charges, provided that Buyer reserves the right to reject any or all Materials which do not meet the requirements of this Order, at Seller's expense for removal, freight and handling, and to pursue any other remedy available to Buyer. **THE AFORESAID EXPRESS WARRANTIES SHALL BE IN EFFECT FOR ONE (1) YEAR FROM THE DATE WHEN THE MATERIALS ARE PLACED IN OPERATION BY THE OWNER, BUT NOT TO EXCEED EIGHTEEN (18) MONTHS FROM THE DATE OF RECEIPT BY BUYER. ALL WARRANTIES AND SERVICE GUARANTEES SHALL INURE TO THE BENEFIT OF BUYER AND THE OWNER, INTERCHANGEABLY.**

7. **INSPECTION:** All Materials purchased hereunder shall be subject to inspection by Buyer, or at Buyer's option by Owner, at all reasonable times and places before, during and after design, manufacturing, assembly or performance. Buyer's inspection or failure to inspect shall in no way relieve Seller of any responsibility or liability with respect to such Materials.

8. **QUANTITY:** Buyer shall be obligated to purchase and accept only the quantity stated herein; Buyer may return any excess Goods received at Seller's expense.

9. **SELLER'S EMPLOYEES:** In any case where it is necessary for employees or representatives of Seller to go upon the premises of Buyer or Owner, Seller agrees to assume full responsibility for such employees and representatives while on said premises with respect to observance of all applicable laws and regulations and all plant rules, particularly as to safety precautions. If this Order requires Seller to furnish labor in connection with the Materials at the site, Seller shall furnish Buyer with a certificate or other evidence satisfactory to Buyer indicating that such labor is adequately covered by Workmen's Compensation insurance and Employer's Liability insurance with limits acceptable to Buyer.

10. **PACKING CHARGES:** No charge will be allowed for loading, packing, boxing, crating, freight or cartage, unless stated as a separate item of this Order, but damage to any Materials not loaded, packed, boxed, crated or shipped reasonably to ensure proper protection during storage, shipment and delivery, will be charged to Seller.

11. **COMPLIANCE WITH LAWS:** Seller warrants that all Materials furnished hereunder conform with all applicable local, state and federal laws, ordinances, executive orders and regulations, as originally issued and as amended, both at the place of manufacture and the place of installation and use. Unless otherwise exempted by rules, regulations, or orders of the secretary of labor, vendor agrees to comply with the provisions of the Equal Opportunity & Non-Segregated Facility laws, the Affirmative Action For Handicapped Workers clause, and the Affirmative Action For Disabled Veterans And Veterans Of The Vietnam Era Clause, which are by reference incorporated herein. **SELLER WILL DEFEND AND HOLD BUYER HARMLESS FROM LOSS, COST OR DAMAGE BY REASON OF ANY SUCH ACTUAL OR ALLEGED VIOLATION BY SELLER.**

12. **INDEMNITY:** Seller agrees to defend and save Buyer and/or Owner harmless in contract, tort, strict liability, equity or any other form against all loss, expenses and damages, including but not limited to, direct, special, indirect, secondary, consequential or punitive damages of any kind or nature, arising out of or caused in whole or in part by any substantially negligent act or omission, or breach of warranties or guarantees, express or implied, or by any significant breach of any other terms of this Order, by Seller, its agents, employees or representatives in the performance of this Order.

13. **CANCELLATION:** Buyer shall have the right to cancel this Order in the event that the Seller is in default of any provision of this Order or becomes bankrupt or insolvent or makes an assignment for the benefit of the creditors. In addition to all other rights which Buyer may have to cancel this Order, Buyer shall have the further right to terminate any work hereunder without cause, in whole or in part, at any time by written notice. As compensation to the Seller for such termination without cause, Buyer will pay a fair and reasonable portion of the contract price for materials in process, based on their percentage of completion and their likely usefulness to Buyer, at Buyer's

reasonable discretion. Termination without cause costs shall be subject to Buyer's detailed audit, and if not substantiated to Buyer's reasonable satisfaction, will be subject to reduction or disallowance.

14. RISK OF LOSS: **UNLESS OTHERWISE SPECIFIED, THE F.O.B. POINT OF THIS ORDER SHALL BE BUYER'S PLANT OR DESIGNATED DESTINATION** and all risk of loss or damage, title and the responsibility of insuring the Materials against transportation loss and any other loss or damage, shall remain Seller's until the Materials have been delivered to Buyer and have been inspected and accepted by Buyer or Buyer's agent.