

LOPAREX LLC

Terms and Conditions of Purchase

1. Acceptance of Order. This purchase order ("Order") is the offer of LOPAREX LLC ("LOPAREX" or "Buyer") to purchase from the party to whom it is sent ("Seller") the products ("Product") and/or services ("Services") described or listed on the face of this Order. This offer may be accepted by any reasonable indication of acceptance by Seller, including but not limited to, acknowledgement or commencement of performance by Seller. Seller's acceptance, however made, is expressly limited to the terms of this Order and LOPAREX objects to and will not accept any additions, exceptions or changes to these terms, whether contained in any printed form of Seller or elsewhere, unless expressly approved by LOPAREX in writing. In the event that this Order constitutes a written confirmation of terms previously agreed upon by Seller and LOPAREX, or an acceptance of an offer previously made by Seller, any such confirmation or acceptance by LOPAREX is expressly conditional upon and subject to the terms and conditions set forth herein and on the face hereof.

2. Delivery. Time is of the essence and shipment must be effected within the time stated on this Order. Failure to deliver Product or provide Service of the quality and/or quantity within the time or times specified, shall, at the option of the Buyer, relieve it of any obligation to accept and pay for such Product and/or Service as well as any undelivered installments on the Order if such remain. Upon failure to deliver as specified, Buyer may purchase elsewhere and charge Seller with any losses that may be incurred as a consequence, unless prior arrangements for deferred shipment or changes in quality and/or quantity are made, agreed upon, and confirmed by Buyer in writing. Failure by the Buyer to exercise this option with respect to any installment shall not be deemed to constitute a waiver with respect to subsequent installments. If Buyer elects to accept a late shipment from Seller, Seller shall ship Product by express shipment at Seller's own expense. Quantity shipped must not exceed the amount(s) specified on this Order, unless Buyer's written permission is first obtained. Product and/or Service delivered in excess of amounts ordered may be refused and returned or denied at Seller's expense. Buyer will not be responsible or liable for any Product shipped or Service performed unless a duly authorized purchase order has been issued for such Product and/or Service. Title to and risk of loss or delay in Product shall not pass from Seller to Buyer until Product is delivered pursuant to the terms of this Order.

Unless otherwise specified by LOPAREX in this Order, all deliveries of Product shall be FOB LOPAREX's Facility, Freight Prepaid (Uniform Commercial Code) as designated on the face of this Order. No tender of delivery of Product and/or Service pursuant to this Order shall be deemed made to LOPAREX, and no liability or obligation to inspect Product and/or Service shall be imposed on LOPAREX, unless and until Product and/or Service are tendered in precise conformity to the specifications and instructions of this Order. Deliveries of Product and/or Service shall be made strictly in accordance with LOPAREX's delivery schedule. Invoices covering Product shipped or Services provided in advance of the date set forth in LOPAREX's delivery schedule will not be paid until their normal maturity after the date specified for delivery. Seller shall not ship Product in quantities less than the Order quantity without prior written approval from LOPAREX.

3. Acceptance of Product and/or Service by LOPAREX. Acceptance of Product and/or Service by LOPAREX shall occur only when all provisions of this Order, including these terms and conditions and any specifications of this Order, including inspection of Product and/or Service, have been met. No reasonable delay in inspecting or in rejecting Product and/or Service shall be deemed an acceptance of them or a waiver of LOPAREX's right to reject Product and/or Service for any cause hereunder. LOPAREX shall have the right to accept any part of Product and/or Service, notwithstanding that it may reject the balance for any reasonable cause hereunder. Acceptance by LOPAREX of all or any part of Product and/or Service shall not constitute a waiver of any claim that LOPAREX may have regarding Product and/or Service.

Buyer's payment for Product and/or Service rendered under this Order shall not constitute acceptance thereof. Rejected Product will be held at Seller's risk and expense pending receipt of Seller's disposal instructions. Upon receipt of Seller's instructions to return rejected Product, they will be shipped and invoiced, including all handling and transportation charges, at Seller's expense. No replacement of rejected Product or Service shall be made unless authorized by Buyer. Seller shall be responsible for and bear the expense of any corrections or adjustments made necessary because of faulty workmanship or materials.

4. Price. Unless otherwise specified, the prices slated on this Order include all charges for packing, hauling, storage, transportation to point of delivery and taxes and duties. Sales and use taxes not subject to exemption shall be stated separately in Seller's Invoice. Seller may not increase prices for Product and/or Service ordered after acceptance of this Order. Seller warrants that the prices quoted in this Order are no greater than those currently charged to any other buyer purchasing similar or lesser quantities of Product and/or Service, and Seller agrees that any price reduction extended to others by Seller prior to delivery of Product shall also be extended to LOPAREX.

5. Discounts. Cash discounts will be measured from date of receipt of invoice or Product and/or Service, whichever is later.

6. Changes. LOPAREX may at any time make changes in the scope or quantity of Product and/or Service, in which event, an equitable adjustment will be made to any price, time or performance and/or any other provision of this Order, if appropriate. Such equitable adjustment will be mutually agreed in writing by the parties. Substitutions or changes in quantities or specifications by Seller shall not be made without LOPAREX's prior written approval.

7. Cancellation. LOPAREX reserves the right to cancel all or any part of the undelivered portion of this Order (i) if Product and/or Service specified in this Order or in any other Order between LOPAREX and Seller fail to conform to the specifications set forth in this Order or in such other Orders; (ii) if Seller does not deliver as specified in the schedule for this Order or any other Order between LOPAREX and Seller; or (iii) if Seller breaches any of the terms for this Order, including without limitations the warranties of Seller.

Buyer may request changes to specifications, quantity and/or the delivery schedules, or cancel all or any part of this Order at any time, if for any reason its production plans change, are delayed or curtailed, or any contingencies interfere with the receipt, handling or stocking of Product or performance of Services ordered herein. LOPAREX shall inform Seller in writing of its desire to make such changes as soon as reasonably possible and Seller shall make every reasonable effort to accommodate LOPAREX's request or state with particularity the reasons Seller cannot accommodate LOPAREX's request.

LOPAREX's cancellation of this Order shall be without liability except for deliveries previously made or for Product and/or Services covered by this Order, which are then already completed and which are subsequently delivered in accordance with this Order. In the event of LOPAREX's cancellation of an Order pursuant to this Section 7, Seller shall repay to LOPAREX immediately any prepayments which LOPAREX has made for Product and/or Service covered by such Order. The remedies provided in this Section 7 shall be cumulative and in addition to any other remedies provided in law or at equity.

8. Warranty. Seller expressly warrants that Product and/or Service ordered shall be merchantable; shall conform to this Order, to specifications, drawings, and other descriptions referenced in this Order, and to any accepted samples; shall be free from defects in materials and workmanship; shall be free from defects in design unless the design was supplied by LOPAREX; and shall be fit and safe for the intended purposes. Seller further warrants that it has clear title to Product and that the Product shall be delivered free of any and all liens and encumbrances. All these warranties and other warranties as may be prescribed by law shall extend to LOPAREX, its successors, assigns, customers, and to users of Product and shall run through any expiration date stated in Seller's warranty, or if no expiration date is stated, then for a period of not less than one (1) year after delivery.

9. Compliance with Laws. Seller's performance under this Order shall be performed in compliance with and Product and/or Service covered by this Order are guaranteed by Seller to have been manufactured and sold in accordance with (i) the provisions of the Fair Labor Standards Act of 1938; (ii) the CMI Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972; (iii) the Williams-Steiger Occupational Safety and Health Act of 1970, as amended; (iv) any applicable federal, state, and local laws and regulations regarding discrimination because of race, color, religion, national origin, sex, age handicap, or veteran status, including without limitation, 11 CFR Part 60-1, 41 CER Part 60-250, and 41 CFR Pan 60-741 as amended; and (v) any and all other applicable federal, state, and local laws, rules and regulations.

Seller agrees to comply with the provisions of the Occupational Safety and Health Act of 1970 ("Act") and the standards and regulations issued thereunder and certifies that all Product and/or Services furnished under this Order will conform to and comply with said standards and regulations. Seller further agrees to indemnify and hold harmless Buyer for all damages assessed against Buyer as a result of Seller's failure to comply with the Act and the standards issued thereunder and for the failure of the items furnished under this Order to so comply.

10. Indemnification. Seller shall defend, indemnify and hold LOPAREX, its successors, assigns, employees, customers, and users of Product and/or Service harmless with respect to all claims, liability, damage, loss, and expenses, including attorney's fees, incurred of every kind related to, caused by, or arising out of (i) actual or alleged patent, copyright or trademark infringement or violation or other proprietary right arising out of the purchase, sale or use of the Products; (ii) actual or alleged defect in the Products, whether of defect or in design, manufacture, material, or otherwise; (iii) actual or alleged breach of warranty; or (iv) failure of Seller to deliver Product and/or Service on a timely basis. In the event of a claim under this Section 10, LOPAREX may, at its option, terminate this Order or defer acceptance of the balance all Product and/or Service ordered until the claim is resolved. If LOPAREX is enjoined from use of Product and/or Service, Seller shall, at LOPAREX's option either procure for LOPAREX the right to continue using Product and/or Service, replace Product and/or Service with substantially equivalent Product and/or Service as deemed equivalent solely by LOPAREX, modify Product and/or Service as to be usable by LOPAREX, or repurchase Product at the price set forth in this Order

11. Safety. If Product supplied hereunder or Service performed hereunder involve any risk of injury or death to persons or damage to property, Seller shall provide LOPAREX with a written description of the nature and extent of such risk, including a description of any precautions which should be taken to minimize risk, prior to supplying such Product or performing such Service. Seller warrants that all chemical substances constituting or contained in Product supplied hereunder are included in the list of chemical substances compiled and published by the Environmental Protection Agency pursuant to the inventory reporting regulations of the Toxic Substances Control Act. Seller shall provide Safety Data Sheets to LOPAREX in accordance with 29 CFR Section 1910, 1200.

12. Setoff. Any counterclaim against Seller or any of its related entities by LOPAREX or any of its related entities which arises out of this or any other transaction may be set off against any money due Seller under this Order.

13. Assignment. Seller may not assign its rights or obligations hereunder or subcontract any material portion of the performance of it without the prior written consent of LOPAREX, such consent not to be unreasonably withheld.

14. Choice of Law. This document and any dispute or claim relating to it shall in all respects be governed by and construed according to the laws of the State of North Carolina without regard to any conflicts of law provisions. Unless LOPAREX elects to

arbitrate pursuant to paragraph 16, all disputes shall be brought in the state courts of North Carolina located in Wake County or the applicable United States District Courts situated in the Eastern District of North Carolina.

15. Jury Waiver. Seller agrees at LOPAREX's option to waive trial by jury in any action between them arising out of this Order.

16. Arbitration. At LOPAREX's option, any controversy or claim arising out of or relating to this Order shall be settled by arbitration in accordance with the commercial arbitration rules of the American Arbitration Association. The arbitrators shall have no right to award punitive or exemplary damages.

17. Liability for Buyer's Property. Whenever Seller shall, by virtue hereof, have property of Buyer in its possession, Seller shall be deemed an insurer thereof and shall be responsible for its safe return to Buyer.

18. Business Held in Confidence. Seller shall not, without first obtaining the written consent of Buyer, in any manner advertise or publish the fact that the Seller has contracted to furnish Buyer Product and/or Services covered by this Order.

19. Entire Agreement. The provisions contained on the front side hereof are incorporated into these Terms and Conditions of Purchase by reference. Seller and LOPAREX acknowledges these Terms and Conditions of Purchase constitute the entire agreement between the Seller and LOPAREX with regard to the sale or transfer of Products and/or Service and supersede all prior oral or written statements of any kind made by the parties or their representatives. These Terms and Conditions of Purchase may not be amended, modified, or supplemented except by written agreement executed by Seller and LOPAREX. These Terms and Conditions of Purchase are hereby deemed by the parties to be severable and the invalidity or unenforceability of one provision shall not affect the validity or enforceability of any other provision

20. On-Site Work Addendum. IF THIS ORDER INVOLVES PERFORMANCE OF WORK AT LOPAREX'S PREMISES, THE "ON-SITE WORK ADDENDUM TO PURCHASE ORDER" IS A PART OF THIS ORDER AND IS HEREBY INCORPORATED BY REFERENCE.

Onsite Work Addendum to Purchase Order:

Work on LOPAREX's Premises in Indemnification and Insurance Requirements. With respect to any work performed or to be performed by Seller on LOPAREX's premises, Seller agrees that all such work shall be done as an independent contractor and that the persons doing the work shall not be considered employees of LOPAREX. Seller warrants that all work performed shall be free from all defects, and Seller shall furnish to LOPAREX evidence satisfactory to LOPAREX that any liens arising out of this work have been satisfied. Seller agrees to indemnify and hold LOPAREX harmless to the extent permitted by law against every claim, liability, or demand including investigation or litigation expenses, legal fees, cost or other charges incident thereto in

connection with Seller's work in performance of the Order or related Orders or other work for LOPAREX, whether alleged to be caused by, or resulting from Seller's or LOPAREX's acts or negligence or the act or negligence of Seller's or LOPAREX's employees. Such claims, liabilities, and demands shall include but not be limited to any claim, liability or demand in connection with or pursuant to any "structural work" or similar statute. Without limiting the obligations undertaken pursuant to the previous sentences, Seller shall at all times maintain in force public liability insurance, naming LOPAREX as an additional insured in the amount of not less than \$1,000,000 combined single limit with respect to property damage and bodily injury or death. Seller shall also maintain workers compensation insurance coverage on all of Seller's employees engaged in work on LOPAREX's premises in the amount required by the applicable law and motor vehicle liability insurance in the amount of at least \$1,000,000 combined single limit for all Seller's personnel operating motor vehicles on or near LOPAREX's premises. Seller shall furnish to LOPAREX a certificate of insurance expressly showing such coverage including an executed copy of the endorsement CG20-10 (Additional Insured-Owners, Lessors, or Contractors) prior to commencing work hereunder.

This obligation to indemnify shall not be limited in any way by any limitations on the amount of types of damages, compensation or benefits payable by or for Seller under Workers' Compensation Acts, Disability Benefit Acts, or Employee Benefit Acts. Any right to contribution by Buyer against Seller shall be without limitation.

Seller agrees that it is responsible for compliance with all safety laws applicable to its work and that of its subcontractors and agrees to indemnify and defend Buyer by reason of any failure or claim of failure to do so.

The insurance afforded to Buyer as an additional insured on the Seller's policy shall be primary insurance over any other valid or collectible insurance that Buyer may have with respect to the loss. Buyer's insurance shall be excess over the Seller's policies and the amount of the Seller's insurance company's liability shall not be reduced by the existence of any other insurance.