

GENERAL TERMS AND CONDITIONS

Unless otherwise specifically provided, the following terms and conditions shall be applicable to a purchase of products under this purchase order ("Order"):

1. Delivery/Acceptance of Products. K&B Machining, Inc. (hereafter called "K&B") shall not be deemed to have accepted the products covered by this Order until the same have been inspected by K&B at K&B's facilities. Notwithstanding any passage of time or other action or inaction by K&B, K&B shall not be responsible for any defects, breach of Warranty or other failure of the products purchased hereunder. Defective goods or goods not in accordance with the specifications of this Order shall be held for Supplier's instruction, at Supplier's expense and, if Supplier so directs, will be returned at Supplier's expense. If K&B's inspection reveals that part of the products ordered are not in accordance with K&B's specifications, K&B shall have the right to cancel any unshipped portion of the Order. If market conditions warrant, K&B shall have the right, upon reasonable notice to Supplier, to suspend or cancel any unshipped order. All claims for alleged defects with respect to products delivered hereunder shall be waived unless made in writing and delivered by K&B to Supplier within ten (10) days of delivery of such products. K&B shall afford Supplier prompt and reasonable opportunity to inspect all products as to which any claim is made. Upon expiration of such ten (10) day period, K&B shall be deemed to have accepted the products delivered, and Supplier shall have no further obligation or liability of any nature with respect to such products. Risk of loss shall remain with Supplier until actual receipt of the products by K&B at K&B's facilities. The specific quantity ordered must be delivered in full and may not be changed without K&B's written consent.

2. Payments; Taxes. Payments shall become due only as indicated in the Order. No additional charges of any kind, including without limitation, charges for crating, packing, transportation, etc. shall be allowed except as specifically indicated in the Order. Prices listed include state or local taxes, if any.

3. Warranty. By accepting this Order, Supplier (a) hereby warrants that the products sold hereunder will be in full conformity with K&B's specifications and that all such products will be fit for the use intended by K&B, free from defects in material and/or workmanship, and merchantable. Such warranty shall survive delivery and shall not be deemed waived by acceptance or payment. This warranty is in addition to any other warranties, express or implied, given to K&B by Supplier. Seller further warrants that the products do not infringe any US letters patent and covenants and agrees to indemnify and hold K&B harmless from any and all claims or demands asserting any such infringement.

4. Acceptance. NO acceptance shall be effective if it varies from the terms of this Order. Any proposed additional terms shall be deemed rejected unless specifically approved by K&B in writing. BY SHIPPING THE PRODUCTS ORDERED, PERFORMING THE WORK REQUESTED IN THIS ORDER OR BY ACKNOWLEDGING RECEIPT OF THIS ORDER, YOU AGREE TO THE TERMS AND CONDITIONS CONTAINED SOLELY IN THIS ORDER. ANY DIFFERENT OR ADDITIONAL TERMS IN YOUR ACCEPTANCE OF THIS ORDER ARE HEREBY SPECIFICALLY REJECTED.

5. General Terms.

(a) This Order constitutes the entire agreement between the parties, and K&B shall not be bound by any agent's or employee's representation, promise or inducement not set forth herein. The parties hereto have voluntarily agreed to define all rights, liabilities and obligations respecting the sale and purchase of the products ordered hereunder exclusively pursuant to the express terms and provisions of this Order. Unless otherwise specifically agreed in writing by K&B, this Order shall be the exclusive agreement between K&B and Supplier and any credit application, receipt, correspondence, sales orders, invoice or other documentation provided by Supplier shall be entirely superseded by this Order. No waiver, alteration, or modification of any of the provisions hereof, shall be binding on K&B unless in writing, and signed by K&B's duly authorized representative.

(b) Any notice required or permitted to be given under this agreement shall be sufficient if in writing, and shall be deemed to have been given if personally delivered or if deposited in the United States mail, by certified mail, with proper postage prepaid thereon, addressed as to the parties as set forth on the front page of this agreement or to such other address as either party may hereafter advise the other by notice given in accordance with the provisions hereof.

(c) The rights and obligations of the parties under this agreement shall inure to the benefit of and shall be binding upon their successors and assigns; provided, however, that Supplier may not assign this Order without the prior written consent of K&B. This Order may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same Order. The provisions of this Order shall be deemed severable, and the invalidity or unenforceability of any one or more of the provisions hereof shall not affect the validity and enforceability of the other provisions hereof. Every covenant, term and provision of this Order shall be construed simply according to its fair meaning and not strictly for or against any party.

(d) This Order shall be construed in accordance with, and the rights and duties of the parties hereto shall be governed by, the internal laws of the State of Oklahoma. If a dispute arising out of or relating to the subject matter of this Order is not resolved through good faith consultation between the parties, the parties agree first to try in good faith to settle the dispute by non-binding mediation administered by the American Arbitration Association (the "AAA") under its Commercial Mediation Rules. The mediation shall be held in Tulsa, Oklahoma. Upon delivery to the AAA of a notice describing the nature of the claim and the provisions of this agreement which are the basis of the dispute, the claim shall be deemed to have been submitted to mediation. The parties agree to the selection of a single mediator to participate in mediation of the dispute. If the parties are unable to agree upon a single mediator, then the AAA shall appoint a single mediator. Each party shall pay its own costs and expenses incurred in connection with mediation and the parties shall share equally in all costs and expenses associated with the mediator. Each party may be represented at the mediation by its counsel, and each party shall have present at the mediation one or more representatives with authority to bind the party to any resolution that may be mediated. In the event that mediation does not resolve the dispute, such dispute shall be settled by binding arbitration administered by the AAA under its Commercial Arbitration Rules. The arbitration shall be held in Tulsa, Oklahoma unless otherwise agreed by the parties. Upon delivery to the AAA of a notice describing the nature of the claim and the provisions of this Order which are the basis of the dispute, the claim shall be deemed to have been submitted to arbitration. The arbitration hearing shall be held before three AAA panel members. The parties shall share equally in the costs and expenses associated with the arbitrators, unless the arbitrators award costs, including attorneys' fees, to the party receiving a monetary or other affirmative award. The arbitration proceeding shall be held at a time and place selected by agreement of the parties or, in the absence of such agreement, at the time and place selected by a majority of the arbitrators. In the arbitration proceeding, each party shall be permitted to obtain discovery before the final hearing that includes, at a minimum, (1) three depositions of fact witnesses and depositions of all experts, (2) responses to written discovery requests, and (3) voluntary disclosure of all fact witnesses having personal knowledge of relevant facts. It is the parties' intent to limit discovery to the parameters set forth above unless they later agree in writing to permit additional discovery or the AAA panel members determine upon hearing that some additional discovery is warranted. The decision of the arbitrators is binding on the parties and, following completion of the arbitration, a party may not institute litigation to reverse the decision of the arbitrators. A party may, however, institute litigation to enforce the decision of the arbitration. Once a claim is submitted to arbitration, neither party may institute litigation regarding the claim, except to enforce that arbitration decision. The entire procedure provided in this Section 6(d) is confidential and no record shall be made of the proceedings. All conduct, statements, promises, offers, views, opinions, whether oral or written, made in the course of the proceedings by any of the parties, their agents, employees, representatives or their invitees and by a mediator or arbitrator are confidential and shall, in addition and where appropriate be deemed to be work product and privileged.

(e) Supplier acknowledges and agrees that Supplier is dealing exclusively with K&B in connection with this Order. No past, present or future director, officer, employee, member, partner, stockholder, affiliate, agent, attorney or representative of K&B shall have any liability (whether in contract, in tort or otherwise) for any duties, obligations or liabilities of K&B arising under, in connection with or related to this Order or for any claim based on or in respect of, or by reason of the sale and purchase of the products to be purchased under this Order, including, without limitation, any alleged non-disclosure or misrepresentations made by any such persons.

(f) Supplier agrees no to divulge to anyone, either during or after the acceptance of the products, any information related to the products provided, including without limitation, all communications, specifications, drawings, blueprints, work products, documents, papers, tabulations, reports, photographs, notes, diagrams and similar documentation obtained or used by Supplier while providing the products. Upon final delivery or termination of this agreement, Supplier agrees to make no further use of any confidential information obtained or used by Supplier while providing the products. The terms of this Section 6(f) shall survive the expiration or termination of this agreement.