

ZRODELTA, LLC PURCHASING TERMS AND CONDITIONS

1. Definitions - "Buyer" means ZRODELTA, "Seller" means the person, firm or corporation to whom the Purchase Order is addressed on the face thereof. "Goods" means the items being ordered pursuant to Purchase Order.
2. Price - Purchase Order must not be filled at higher prices than quoted without a thirty (30) day written notice and subject to Buyer's right to reject such price increase and to terminate Purchase Order without recourse by Seller. Buyer may withhold payment any Goods, products or services that are different in price or terms on Purchase Order.
3. Entire Agreement - Purchase Order, shall constitute Buyer's offer to Seller, and become a binding contract on the terms and conditions set forth herein, upon Seller's written acceptance thereof or commencement of performance. No revision, modification, termination, or waiver of the provisions of Purchase Order, the provisions and specifications of the request for quotation, or of these Terms and Conditions shall be valid unless in writing and signed by an authorized representative of Buyer and no condition stated by Seller in accepting or acknowledging Purchase Order shall be binding upon Buyer if in conflict with or inconsistent with or in addition to these Terms and Conditions unless expressly accepted in writing by Buyer. Waiver or the failure of Buyer to insist on any one or more instances upon the performance of any terms, covenants, or conditions of the contract or to exercise any right hereunder shall not be construed as a waiver or relinquishment of the future performance of any such terms, covenants or conditions or the future exercise of such right, but the obligation of Seller with respect to such future performance shall continue in full force and effect.
4. Risk of Loss - Seller shall bear the risk of loss of any casualty to the Goods, regardless of the cause thereof, until the Goods have been accepted by the Buyer at the place of delivery specified on Purchase Order.
5. Warranty - Seller warrants, without limitation of time, that goods and services provided (a) are of merchantable quality; (b) are fit for the particular needs and purposes of Buyer as may be communicated to Seller; (c) comply with the highest warranties, representations, and opinions expressed by Seller orally or in any written advertisement, correspondence or other document provided to or in possession of Buyer; (d) comply with all applicable laws, codes, and regulations as published by any national or statewide body, commission, association or group; (e) are free from defect in materials and workmanship; (f) and that all goods and materials delivered are free and clear of all liens, claims, and encumbrances of any kind whatsoever.
6. Indemnification - Seller agrees to forever indemnify, defend and save harmless Buyer from and against and to waive any and all claims against Buyer for any and all claims, suits and demands of liability, loss or damage whatsoever, including attorney's fees, whether direct, indirect, or consequential, on account of any injury, death or damage to any person or persons or property including, without limitation on account of any loss or damage to business or

reputation, arising in whole or in part, in any way, from Seller's performance hereunder or in any way connected therewith or in any way related thereto.

7. Change Orders or Termination - Buyer reserves the right to terminate or modify Purchase Order at any time and in any respect by the issuance of a written change order or written notification to the Seller.

8. Shipping Instructions - Shipment must be made as specified on the face of order unless subsequently modified in writing by Buyer.

9. Blanket Purchase Order - A Blanket Purchase Order represents ZRODELTA's good faith estimate of its needs for the specified term. Blanket Purchase Orders will be reviewed and adjusted as needed, in ZRODELTA's sole discretion. ZRODELTA may require the Seller to retain inventory or materials based upon product lead times to ensure uninterrupted flow of parts to ZRODELTA. ZRODELTA's maximum liability to Supplier in the event of cancellation of a Blanket Purchase Order is equal to the value of any then-current Standard Purchase Order or Release, plus the value of inventory and materials currently on-hand with Seller, the latter not to exceed a quantity of material needed to meet ZRODELTA's demand requirements pursuant to the material lead times specified in advance by Seller to ZRODELTA.

10. Delivery - It is understood by all parties hereto that with respect to the delivery schedule as specified on Purchase Order, TIME IS OF THE ESSENCE. Therefore, failure to deliver procured goods or services on time may result in termination of Purchase Order at the option of the Buyer. Buyer may reject materials or services not delivered or furnished on dates specified. On-time delivery is defined as seven (7) days early, zero (0) days late. Where late goods are accepted by the Buyer with or without objections, such acceptance shall not constitute waiver of the requirements of time and performance

11. Notice of Delays or Labor Disputes - Whenever an actual potential labor dispute or situations beyond the control of Seller delays or threatens to delay the performance of Purchase Order, Seller shall immediately notify Buyer in writing, presenting all relevant information concerning the dispute and its background. The inability of the Seller to provide material as ordered hereunder shall constitute valid grounds for suspension or cancellation of this order upon notification to Seller by fax or letter, and shall be without cost or penalty to Buyer.

12. Assignment - The Purchase Order or any portion of it shall not be assigned to any third party without prior written approval of the Buyer. Any such approval shall not relieve Seller of its obligations under the contract.

13. Governing Law and Jurisdiction - Any controversy arising hereunder shall be governed and resolved according to the laws of the State of North Carolina.