

J.G.B. ENTERPRISES INC.  
PURCHASE ORDER TERMS AND CONDITIONS

1. Definitions The term "Purchaser" means J.G.B. Enterprises Inc. and the term "Seller" means the person, firm, or corporation from whom goods and/or services have been ordered.

2. Contract Any purchase order made by Purchaser includes and is expressly limited to these terms and conditions and all specifications, drawings, data and additional special terms and conditions contained herein, attached hereto or incorporated herein by reference ("Specifications"). Seller's acceptance of Purchaser's order becomes a binding contract when it is accepted by Seller. Either an acknowledgement by Seller or the commencement of performance by Seller shall constitute acceptance. Acceptance may only be on the exact terms and conditions set forth herein. No terms stated by Seller in accepting or acknowledging any order made by Purchaser shall be binding upon Purchaser unless accepted in writing by an authorized officer of Purchaser. If an order follows an offer by Seller setting forth Seller's conditions of sale, Purchaser's acceptance of Seller's offer is expressly conditioned on the Seller's assent to the additional or different conditions set forth herein. Prior to or in the absence of Seller's assent to Purchaser's terms and conditions, there shall be no contract between Seller and Purchaser.

3. Price Unless otherwise specified, the prices set forth in an order includes all applicable federal, state and local taxes and all shipping costs, duties and other charges.

4. Delivery Schedule: Shipment

a. TIME IS OF THE ESSENCE UNDER ANY ORDER MADE BY PURCHASER. Failure of Seller to make delivery of the Deliverables within the time specified on an order, or within any extension agreed to in writing by Purchaser, shall constitute a breach. In the event of a breach, Purchaser, may in addition to its other rights and remedies, reject any Deliverables and/or terminate its order in whole or in part, and purchase substitute goods and/or services elsewhere and charge Seller with any Loss incurred. "Loss" means every loss, liability, cost, damage and expense, including attorney's fees and court costs. The term "Deliverables" means all goods and services to be delivered or provided as specified in Purchaser's order.

b. A notice of shipment shall be sent to Purchaser at the time of shipment which shall state Purchaser's order number, the kind and amount of Deliverables and the route by which the shipment is being made. All Deliverables shall be suitably packed, marked, and shipped in accordance with any shipping instructions specified herein and prepared for shipment to secure the lowest transportation cost in compliance with standard carrier regulations. Seller shall be liable for any difference in freight charge arising from its failure to a) follow any shipping instructions specified herein or b) properly describe the shipment. Purchaser and Seller mutually agree to assist each other in obtaining documents and other information necessary for the prosecution of claims against carrier.

5. Quantity The quantity of Deliverables delivered shall not be greater than the amount specified in Purchaser's order. Purchaser shall have no obligation to accept or pay for any Deliverables delivered or provided by Seller in excess of that specified in an order. Purchaser may return excess quantities to Seller at Seller's expense.

6. Invoices and Payment All invoices must show Purchaser's purchase order number and the destination to which the Deliverables were delivered or shipped. If any sales, use, duty, excise or other similar tax or change is applicable to an order for which Purchaser has not furnished or agreed to furnish an exemption certificate, it must be separately itemized on the invoice. Payment shall be made per the terms established on an order. Payment is subject to any adjustment for shortage or rejection of supplied Deliverables.

7. Responsibility Unless otherwise provided in an order, Seller shall have title and bear risk of any loss or damage to any Deliverables purchased hereunder until delivered to Purchaser at the destination specified on the face of an order; or, if no such destination is specified, at Purchaser's principle place of business. Upon such receipt, title shall pass from Seller to Purchaser, provided that passing of such title shall not constitute acceptance of any Deliverables by Purchaser.

8. Inspection All Deliverables delivered hereunder are subject to Purchaser's inspection and acceptance within a reasonable time after arrival at the ultimate destination. If any Deliverables are found to be unsatisfactory, defective, or of inferior quality or workmanship, or fail to meet any specifications or any other requirements of an order, Purchaser may, in addition to its other rights and remedies, reject all or some of such Deliverables and require either the replacement or a refund if payment has already been made. Payment for any Deliverables hereunder shall not be construed to be an acceptance thereof. Without limiting the foregoing, Seller shall reimburse Purchaser for a) any amounts paid by Purchaser on account of the purchase price of any non-conforming Deliverables, including any costs incurred by Purchaser in connection with the return of such Deliverables.

9. Changes: Cancellation Purchaser may, at its option, upon written notice to Seller, terminate, reduce or make changes to any order prior to shipment. Upon such notice being given, Seller shall immediately stop performance and Purchaser's only obligation shall be to pay for any Deliverables shipped prior to the cancellation, irrespective of whether such Deliverables cover standard stock merchandise or Deliverables to be manufactured or fabricated to Purchaser's specifications or specifications prepared by Seller for Purchaser.

10. Standard Warranties In addition to and without prejudice to all other warranties, express or implied by law, Seller warrants that all Deliverables delivered or specified within an order (i) will conform to its description and any applicable specifications, (ii) will be free from all defects in material and

workmanship, and (iii) will be of good merchandise quality and fit for the purposes for which they are intended. The foregoing warranties are in addition to any additional standard warranty or service guarantee given by Seller to Purchaser. Seller further warrants to Purchaser that all Deliverables made to Purchaser when delivered shall be free and clear of all liens and encumbrances and the Seller has good and marketable title to same with authority to transfer good and marketable title to Purchaser free and clear from any third party liens or claims.

11. Patents, Trademarks and Copyrights In addition to the Standard Warranties set forth above, Seller warrants that the sale or use of the Deliverables will not infringe or contribute to the infringement of any patents, copyrights or trademarks in either the United States or foreign countries.

12. Default All warranties, express or implied, shall survive inspection, acceptance and payment. In the event of Seller's breach of any such warranty, in addition to other rights and remedies available to Purchaser, at law or in equity, Purchaser may return any Deliverables for a full refund, or direct Seller to promptly correct the breach by repairing or replacing the applicable items. Purchaser may also at its option and without prejudice to any of its other rights, cancel any undelivered Deliverables.

13. Indemnification Seller shall indemnify, defend, protect and hold harmless Purchaser from any and all actions, claims, costs, damages, expenses, fees (including attorney fees), investigations, liabilities, losses or suits arising out of or related to (A) any breach of any obligation, representation, warranty or covenant of Seller pursuant to any order by Purchaser, or (B) the Deliverables provided or to be provided pursuant to Purchaser's order, including but not limited to losses which (i) involve any actual or alleged injuries, death, property damage or any other damage of any kind resulting in whole or in part from defective or allegedly defective goods or services; (ii) involve any actual or alleged infringement of any intellectual property rights by reason of the use or sale of any Deliverables, (iii) involve any actual or alleged violation of any law, regulation, rule or ordinance relating to the use or sale of any Deliverables, or (iv) involve any claims of Seller, its agents, representative contractors or employees relating to any actual or alleged injuries, death, property damage or any other damages of any kind sustained in providing the Deliverables.

14. Liability Without limiting Section 13 above, in accepting an order, Seller agrees that he, or it, is an independent contractor for all intents and purposes and that he, or it, will indemnify and hold harmless Purchaser from any claims or damages arising from injury to Seller's employees from any cause whatsoever while in or about Buyer's plant or property, and Seller further agrees to carry all workmen's compensation necessary under Federal or State Statutes and also agrees that none of the individuals whose compensation for service is paid by the Seller shall be deemed to be employed by the Purchaser for the purpose of any tax or contribution levied by Federal or State Government and the Seller accepts exclusive liability for any payroll taxes or contributions imposed by Federal or State laws covering his or its agents or employees.

15. Limitation of Liability Purchaser shall not be liable by reason of termination, cancellation or breach of an order be liable to Seller for any compensation, reimbursement or damages, including in particular, but not limited to, any special, incidental, or consequential damages, either on account of present or prospective profit or sales or anticipated profit or sales, or on account of expenditures, investments or commitments.

16. Export and Import To the extent required by law, Purchaser and Seller shall cooperate with one another to submit to applicable customs authorities, all information and documentation necessary to comply with applicable customs and export and import requirements of each county into which goods will be exported and each country into which they will be imported.

17. Additional Terms Orders that are subject to a federal contract, subcontract or federally assisted construction agreement, shall be subject to Purchaser's Supplemental Purchase Order Terms and Conditions, a copy of which is incorporated herein by reference and shall be made available to Seller upon request.

18. Assignment Seller's rights and obligations hereunder may not be assigned without our prior written consent. Any purported assignment in violation of this section shall be void.

19. Non-Waiver Purchaser's failure at any time to require strict performance by Seller of any of the provisions herein shall not waive or diminish our right thereafter to demand strict compliance therewith or with any other provisions. Waivers of any default shall not waive any other default.

20. Applicable Law The rights and duties of the parties shall be governed by the laws of the State of New York. All disputes between Purchaser and Seller relating to the subject matter of an order or the Deliverables shall be resolved exclusively in the federal and state courts located in Onondaga County, New York and each party hereby irrevocably consents to the personal and subject matter jurisdiction of such courts with respect thereto.

21. Entire Agreement The terms and conditions set forth herein represent the entire agreement between the parties hereto with respect to the subject matter hereof and supersede all prior communications, representations or agreements, whether written or oral.