



Terms and Conditions of Purchase

Unless otherwise stated within this order, all purchase orders issued from Sagrad, Inc. are subject to these terms and conditions.

1. DELIVERY:

The Buyer's production schedules are based upon the agreement that materials will be delivered to the company by the date specified on the face of this purchase contract. Buyer will accept and consider on time delivery of goods up to 2 days before and up to 2 days after date specified on purchase contract. If the purchase order does not specify the delivery date, the Buyer and Seller must agree in writing the delivery date for such goods. If deliveries are not made within Buyer's acceptable time frame as stated above or at the time agreed upon in writing between the Buyer and Seller, the Buyer reserves the right to cancel or to purchase elsewhere, and to hold the Seller accountable, therefore.

2. INSPECTION:

All goods are subject to inspection and rejection upon receipt. Such goods may be tested to determine compliance with contract and any Seller published specifications not referenced in the contract. If any goods are defective or not in conformity with the contract, Buyer in addition to its remedies under the Uniform Commercial Code may reject such defective or non-conforming goods, require correction, or accept them with an equitable adjustment in price. Payment prior to inspection shall not constitute waiver of any rights hereunder. Acknowledgement of receipt on packing slips or bills of lading shall not constitute acceptance. Materials rejected or not conforming to this purchase contract shall be returned at the Seller's expense, including transportation and handling costs.

3. WARRANTY:

Seller warrants that all articles furnished under this contract will be free from defects in material and workmanship, and will conform to applicable specifications, drawing, samples or other descriptions, and that articles of Seller's design will also be free from defects in design. Seller further expressly warrants that all services performed under this contract will be free from defects in workmanship. These warranties shall remain in effect as to each product furnished, serviced and/or repaired hereunder, for a period of time consistent with the warranty life normally offered by the Seller. All warranties shall be construed as conditions as well as warranties and shall not be deemed to be exclusive.

4. INDEMNIFICATION:

Seller shall indemnify Buyer from any and all losses, claims, damages, expenses, or liabilities of any kind suffered by Buyer by reason of or in connection with Seller's fulfillment of this contract or in the manufacture and sale of any goods hereunder.

5. PATENTS:

Seller agrees to save Buyer, its customers, and agents harmless from any loss, damage, or liability on account of any alleged infringement of any patent with respect to any product furnished under this Purchase Contract provided that such product is not manufactured pursuant to Buyer's design. Seller also agrees that it will, at its own expense, defend any action, suit, or claim in which infringement is alleged provided Seller is duly notified as to such suit. In case the product or any part thereof is held to constitute an infringement and the use of the product or any part thereof is enjoined, Seller shall, at its own expense, either procure for Buyer the right to continue using the product or any part thereof or replace same with non-infringing product or part thereof, or modify the product so that it becomes non-infringing or in the event of the impossibility of the foregoing options grant Buyer a credit for the purchase price of such product. Seller will not be liable to Buyer if any patent infringement or claim thereof is based upon the use of the product in combination with other items where such infringement or claim thereof would not have occurred from the normal use for which the product was designed.

6. CHANGES:

Buyer may, at any time by written change order, make changes in the articles or services to be furnished hereunder or their quantities or delivery dates. If the cost of, or time required for, furnishing the articles or services ordered hereby is increased or decreased as a result of such change order, an equitable adjustment in the contract price and/or delivery schedule will be made in the change order. If a price and/or delivery adjustment is not included in the change order, no increase in price or delay in delivery will be allowed.

6.A A waiver by Buyer of any of the terms and conditions of this Purchase Contract shall not constitute a waiver of any similar provision or other such breach. This Purchase Contract shall not be deemed or construed to be modified, amended, rescinded, cancelled, or waived in whole or in part, except by written change order hereto signed by a Buyer's authorized representative.

7. SHIPPING:

All articles are to be suitably prepared and packed for shipping and shall be shipped pursuant to the specific routing instructions on the face of this Purchase Contract. All packages, packing slips and invoices shall be plainly marked to show Buyer's order number. All invoices shall be sent to Buyer's Accounts Payable Department.

8. PROPRIETARY INFORMATION:

Seller agrees that all information contained in drawings, specifications, etc., which are submitted by Buyer to Seller under or pursuant to this contract is proprietary to Buyer and is submitted with the understanding and agreement by Seller that such information shall not be utilized in whole or in part by Seller, except for fulfillment of this contract, without written permission of Buyer.



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9. INFORMATION PROPRIETARY TO SELLER:

Any information which is proprietary to Seiler and which is disclosed in the products or documents furnished by Seller hereunder shall be deemed to have been disclosed as a part at the consideration for this contract and the Buyer shall have full right to its use as Buyer sees fit.

10. COMPLIANCE WITH APPLICABLE LAWS:

Seller certifies that all of the products and services to be furnished hereunder will be manufactured or supplied by Seller in accordance with all applicable provisions and stipulations as of this date, of the Walsh-Healy Act, Fair Labor Standards Act, Occupations Safety and Health Act of 1970, Equal Employment Opportunity Provisions and Executive Orders, or any other federal, state, or local law, wherein such acts, provisions, and orders may be applicable, including but not limit to specifically set forth OSHA standards.

11. ASSIGNMENT:

Seller may not assign either its rights or obligations under this contract without prior written consent of Buyer.

12. TERMINATION:

Buyer reserves the right to terminate this contract, or any part hereof, and to cancel all or any part of the undelivered portion of this contract if Seller does not make deliveries as provided in this contract, or, if Seller breaches any of the terms hereof, including warranties. Seller agrees that any delay in delivery or other failure to perform, resulting from Seller's failure to comply with the provisions of the Occupational Safety and Health Act of 1970 and the standards and regulations issued thereunder, shall not be deemed an excusable delay or otherwise excuse Seiler from performance as required. Buyer shall also have the right to terminate this contract or any part thereof, and cancel all or any part of the undelivered portion in the event of the happening of any of the following: insolvency of Seller, filing of a voluntary petition in bankruptcy, filing of an involuntary petition to have Seller declared bankrupt provided it is not vacated within thirty (30) days from the date of such filing, or the execution by Seller of any assignment for the benefit of creditors. Buyer shall have no obligations to Seller in respect of the cancelled portion of this contract and Buyer's liability shall be limited to payment for the delivered portion of this contract at the rate specified on the face hereof (reflecting quantity prices as though this purchase contract had gone to full completion). If, as a result of default of performance by the Seller, this contract is terminated in whole or in part and it is necessary to procure any of the specified products or services elsewhere, then Seller will be liable for any reprocurement charges which exceed the amount which would have been due the Seller if he had satisfactorily completed this contract. These remedies shall be cumulative in addition to any other or further remedies provided in law or equity.

12.A Buyer may, for its convenience, terminate work under this Purchase Contract, in whole or in part, at any time by giving notice to Seller in writing. Seller will thereupon immediately stop work on the Purchase Contract or the terminated portion thereof and notify any subcontractors to do likewise; Seller shall be entitled to reimbursement for its actual costs incurred up to and including the date of termination, such costs to be determined in accordance with recognized accounting principles. Seller shall also be entitled to a reasonable profit on the work done prior to such termination at a rate not exceeding the rate used in establishing the original purchase price. The total of such claim shall not exceed the pro rata of this Purchase Contract which is cancelled.

13. ACCEPTANCE:

Unless otherwise provided herein, Seller's acknowledgement of this Contract or commencement of any work, shipment of goods or performance of any services hereunder shall constitute acceptance by Seller of this Contract and all of its terms and conditions. No terms or conditions stated by Seller in acknowledging or otherwise accepting Contract shall be binding upon Buyer unless specifically accepted in writing by Buyer. The issuance of this contract or Purchase Order by Buyer upon receipt of Seller's quote constitutes incorporation of the quote's pricing, delivery dates, quantity and specifications into the contract, but does not constitute acceptance of the terms and conditions of the quotation, unless specifically so indicated by Buyer in this contract.

14. GOVERNING LAW:

This agreement shall be governed by and interpreted in accordance with the laws of the State of Florida.

15. DISCOUNT:

It is understood that the cash discount period will date from the receipt of the goods, or from the receipt of the invoice, whichever is later.

16. RIGHT OF INSPECTION:

Buyer shall have the right to inspect the premises of Seller used in connection with the production of the goods purchased upon reasonable notice and during business hours.

17. PRICE, QUANTITY, FORM OF DELIVERY AND DELIVERY DATES:

The Price, Quantity, Form of Delivery and Delivery Dates for the Goods and/or Services to be provided under the contract or purchase order issued by Buyer to which these terms and conditions attach, shall be set forth on the front or first page of said contract or Purchase Order.

18. PRICE WARRANTY:

The Seller warrants the prices of the items set forth herein shall not exceed those charged by the Seller to any other customer purchasing the same or substantially similar items in similar or smaller quantities.



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19. COUNTERFEIT PARTS:

The Seller warrants that the following shall not be sent to the Buyer: parts, components or assemblies that are knowingly misrepresented as "genuine" from an authorized or unauthorized manufacturer, when, in fact, they are an unauthorized copy, substitute or they contain modification (s).

20. RESULTS OF VERIFICATION:

The Buyer may request results of test, inspection, and verification (including process verification), if necessary. The use of statistical techniques may be used by the Seller for product acceptance and any related instructions for acceptance by the Buyer.

21. BUYER NEEDS:

If necessary, the Buyer may require the Seller to:

- A. *Implement a quality management system;*
- B. *Use customer-designated or approved external providers, including process sources (e.g., special processes);*
- C. *Notify the Buyer of nonconforming processes, products, or services and obtain approval for their disposition;*
- D. *Notify the Buyer of changes to processes, products, or services, including changes of their external providers or location of manufacture, and obtain the Buyer's approval;*
- E. *Provide test specimens for design approval, inspection/verification, investigation, or auditing;*