



## Terms & Conditions of Purchase

In the following terms & conditions the term "Company" shall mean Rovanco Piping Systems, Inc. and the term "Supplier" shall mean the person, firm or company to which this Purchase Order is delivered.

### PLACING OF ORDERS.

1. The Company shall have no liability for orders purporting to be given by the Company unless said orders are issued on the Company's official printed Purchase Order form.

2. This Purchase Order is subject to the following terms & conditions, and to those appearing on the face hereof, only, and no addition or deletion, or other agreement, promise or covenant heretofore or hereafter proposed by Supplier shall become binding upon the Company, whether advanced by document, purchase agreement, confirmation, or other wise, unless expressly accepted by the Company in writing. The Company hereby gives notification of objection to all terms and conditions heretofore or hereafter proposed by Supplier different from or additional to those specified in this Purchase Order, and in no event shall the Company's silence or any action by the Company be construed as the Company's assent to any such different or additional terms or conditions. Supplier shall be deemed to have accepted this Purchase Order and all of the terms and conditions contained herein and on the face hereof by executing and returning to the Company the acknowledgment copy hereof, by delivering the products described on the face hereof and being ordered hereby (the "Products") to the Company, or by taking such other action, including the identification of the Products to this Purchase Order, which leads the Company to reasonably believe that Supplier intends to fulfill this Purchase Order. The terms and conditions specified on the face hereof shall be controlling in the event of any conflict thereof with the terms and conditions set forth herein. Waiver by the Company of any term or condition hereof in any instance shall not constitute a waiver of such term or condition in any other instance, whether under this or any other Purchase Order, and no alleged or actual contrary course of conduct shall serve to contradict the express terms and conditions hereof.

3. The information contained in the Purchase Order shall be treated as strictly confidential and Supplier shall not publish or disclose the details hereof to any third party without the Company's prior written consent.

### DELIVERY.

1. Unless otherwise specified on the face hereof, all shipments of the Products shall be F.O.B. the Company's plant in Joliet, Illinois.

2. Title to and risk of loss of any of the Products, including damages and theft in transit, shall only be transferred to the Company upon the receipt, inspection and acceptance thereof by the Company at the Company's plant in Joliet, Illinois, or at such other shipment destination as may be specified on the face hereof, regardless of freight payment terms and whether any carrier or shipping agent has been specified by the Company. In the event any of the Products are not delivered to the Company's plant in Joliet, Illinois, or to such other shipment destination as may be specified on the face hereof, Supplier shall be responsible for any additional expense incurred in delivering the Products to the correct destination.

3. The Products must arrive during normal working hours unless previously agreed to by the Company.

4. All shipments of the Products must be accompanied by a packing list dated and the date of shipment containing this Purchase Order number and other relevant details. If Supplier fails to include a packing list with the shipment the Company's count shall be final and binding for all Purposes.

INVOICES. Invoices containing this Purchase Order number must be received in duplicate by the Company.

1. Payment. Unless otherwise specified on the face hereof, term of payment will be cash, due net 30 days. The company shall be entitled to set off any sums due Supplier under this Purchase Order against any sum due from Supplier to the Company pursuant to, or in connection with, any other agreement between Supplier and the Company. Credit cards are accepted, but will be charged a 3-1/2% processing fee.

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5. PACKING MATERIALS. The Products shall, at Supplier's sole expense, be packed in suitable cases and packaging materials so as to prevent any damage thereto during shipment thereof. In the event Supplier requests the return of any cases or packaging materials, such return shall be solely at the expense of Supplier and all risk of loss thereof, including damage and theft in transit, shall be on Supplier.

6. DELAY IN DELIVERY. In the event Supplier shall fail to meet any delivery date specified in this Purchase Order, whether for all or any part of the Products and regardless of whether such failure is for causes beyond Supplier's control, the Company reserves the right to cancel all or any part of the undelivered Products and return all or any part of the delivered Products as aforesaid, the Company shall have no liability for the cancelled or returned Products and Supplier shall immediately refund to the Company all sums which the Company had previously paid Supplier therefore.

7. INSPECTION. The Company shall have the right to inspect the Products prior to the shipment thereof or at the point of destination. Any such inspection shall not relieve Supplier from any responsibility or liability to the Company or its customers for defects in the Products or in any way be deemed to constitute an acceptance thereof by the Company. Upon request, the Company shall be entitled to check and inspect the manufacturing progress of the Products.

8. REJECTION. The Company shall be entitled to reject any Products delivered hereunder which are found to be defective in design, quality or construction or which do not conform to the Company's specifications or the description thereof on the face hereof, and to cancel all or any part of any undelivered Products, whether or not such defect or failure to conform is discovered upon or after delivery and / or inspection of the Products. Supplier shall, at the Company's option, promptly replace or repair, at Supplier's sole expense, or refund the purchase price of, all Products rejected or cancelled by the Company. Rejected Products which are not replaced or repaired as herein provided, will be held for Supplier's instructions at Supplier's risk, and as Supplier so directs, will be returned at Supplier's expense. If the Company does not receive prompt instructions from Supplier, the Company shall be entitled to receive reasonable storage charges for the rejected Products. Payment for any of the Products shall not constitute acceptance thereof and is without prejudice to any and all claims that the Company may have against Supplier.

9. ITEMS PROVIDED BY THE COMPANY. Any patterns, jigs, tooling, drawings, designs, materials or other items furnished by the Company to Supplier for the performance of this Purchase Order shall remain the property of the Company. Upon the request of the Company, Supplier, at its expense, shall promptly return said items to the Company in good condition after use; provided, however, that until such time as said items are returned to the Company, Supplier shall be responsible for any loss thereof or damage thereto.

10. CONFIDENTIAL INFORMATION. Any information derived from any plans, drawings, designs or other materials furnished by the Company or in any other way communicated to Supplier by the Company shall be regarded as confidential and shall not be published or disclosed by Supplier to any third party or be used by Supplier without the prior written consent of the Company, except for the purpose of performing this Purchase Order.

11. INDEMNIFICATION. Supplier hereby agrees to indemnify the Company and its directors, officers, shareholders, employees, agents, servants and representatives against, and to hold each of them harmless from, and all liability, loss, cost, expense, or damage, including, without limitation, court costs and reasonable attorneys fees, which any of them may incur as the result, either directly or indirectly, of

1. any injury to persons or damage to property caused by the Products or the use thereof,
2. any infringement or alleged infringement by the Products of patent, copyright, trade name or trademark rights of third parties, or
3. any violation by Supplier or the Products of any municipal, state or federal laws or regulations pertaining to the Products or their sale. Supplier shall procure and maintain liability insurance with such coverage and limits as shall be adequate to cover the risks assumed hereunder and such additional coverage as may be specified on the face of this Purchase Order and, upon the request of the Company. Supplier shall provide the Company with a current certificate of insurance naming the Company as an additional insured and providing that the insurance policy shall not be cancelled or modified without ten days prior written notice to the Company.

12. BANKRUPTCY OR INSOLVENCY. If any one or more of the following events shall occur:

1. Supplier becomes insolvent or bankrupt or admits in writing its inability to pay its debts as they mature or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee or receiver for it or the major part of its property; or
2. a trustee or receiver is appointed for Supplier or for the major part of its property; or

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3. bankruptcy, reorganization, arrangement, insolvency, or liquidation proceedings or other proceedings for relief under any bankruptcy law or laws for the relief of debtors are instituted by or against Supplier; then the Company shall be entitled to cancel the unfilled portion of this Purchase Order immediately upon the delivery of a written notice of cancellation to Supplier without any further liability whatsoever to Supplier for said cancelled Products, and thereupon, any property of the Company in the possession or under the control of Supplier shall be immediately returned to the Company.

13. FABRICATION AND MATERIAL COMMITMENTS. Unless otherwise authorized in writing by the Company, Supplier shall not make commitments for materials for the fabrication of the Products, nor fabricate the Products in advance of, the time necessary to permit the Supplier to meet the shipment date or dates for the Products as specified on the face hereof.

14. CANCELLATION. The Company may cancel this Purchase Order in whole or in part and at any time by delivery to Supplier of written notice of cancellation. In the event such a cancellation by the Company is finally adjudicated by a court of competent jurisdiction to have constituted a breach of this Company's agreement with Supplier and to have caused Supplier damages, Supplier's sole remedy against the Company shall be limited to the recovery of its damages up to an amount equal to the lesser of Supplier's lost profits on the Products or the reasonable costs Supplier had incurred in the performance of this Purchase Order prior to the delivery thereto of the Company's notice of cancellation, all other remedies which Supplier might have against the Company, statutory or otherwise, including, without limitation, special, incidental or consequential damages, being hereby expressly excluded.

15. WARRANTIES. Supplier represents and warrants that all of the Products shall be of good and merchantable quality and in exact accordance with the descriptions or specifications set forth on the face hereof, free from defects in workmanship, materials and design. If the Company has heretofore communicated to Supplier or specified on the face hereof the particular purpose for which the Products will be used, Supplier represents and warrants that the Products will be fit for the particular purpose intended by the Company. All warranties of Supplier shall survive delivery and shall not be deemed waived by the Company for any reason whatsoever, including without limitation, the Company's inspection or acceptance of, or payment for, the Products.

16. DEFAULT. In the event of a default or breach by Supplier in the performance of any of its obligations, hereunder, in addition to any and all other rights and remedies which the Company shall have against Supplier. Supplier shall be liable to the Company for all costs and expenses incurred by the Company in enforcing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees.

17. GOVERNING LAW. This Purchase Order and the performance there by the Company and Supplier shall be governed by and construed in accordance with the laws of the State of Illinois.

18. SEVERABILITY. If any of the provisions of this Purchase Order shall be invalid or unenforceable, the remainder of this Purchase Order, or the application of such provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby and each provision of this Purchase Order shall be valid and enforceable to the fullest extent permitted by law.