

1. **ACCEPTANCE OF ORDER:** Seller (the supplier whose name and address are stated on the reverse side of this document) agrees that the following terms and conditions will control its performance and the performance of Charter Medical, Ltd. ("Charter") under this order. Seller agrees to acknowledge this order on the attached acknowledgement copy, if supplied, and to return said copy promptly to Charter. Should Seller accept the order in any other manner, Charter preemptively OBJECTS TO THE INCLUSION OF ANY DIFFERENT OR ADDITIONAL TERMS proposed by Seller in its acceptance. If different or additional terms are included in Seller's acceptance, a contract of sale will result on Charter's terms stated herein. The terms and conditions of this Purchase Order constitute an offer on Charter's part upon the terms and conditions set forth below. If this Purchase Order responds to or follows a written or oral quotation or other document which could be reasonably construed as an "offer" and which contains terms and conditions different from or additional to those set forth below, then this Purchase Order shall not constitute an acceptance thereof. Charter's acceptance of such "offer" is expressly conditioned on Seller's assent to the terms and conditions set forth below.
2. **CHANGES:** Charter reserves the right to make changes at any time in (a) work to be performed or materials to be furnished; (b) drawings, designs or specifications applicable to the work or materials; (c) methods of shipment and packing; and (d) time and place of delivery/performance, including temporary suspension of shipments/performance. If any such change causes an increase or decrease in the cost of, or time required for, performance of this order, an equitable adjustment shall be made in the contract price or delivery/performance schedule, or both. Any claim by Seller for adjustment under this clause shall be deemed waived unless asserted by Seller in writing and received by Charter within five (5) days after the Seller's receipt of the written order from Charter affecting the change. Price increases or extensions of time for delivery/performance shall not be binding on Charter unless evidenced by a purchase order change notice issued by Charter.
3. **PACKAGING, SHIPPING, AND SHIPPING DOCUMENTS:** All goods specified on the face of Charter's order shall be delivered F.O.B. Charter's dock at the address set forth on the reverse side of this Purchase Order, shall be delivered without charge for boxing, crating or storage unless otherwise specified, and shall be suitably packaged to assure against damage from weather and/or transportation. The goods shall be described on bills of lading in accordance with current National Motor Freight or Uniform Freight Classification, whichever is applicable. A packing list, which separately itemizes each item of goods and shows Charter's order number, symbol, item number and description of goods, shall accompany each box or package shipment. Charter's count or weight shall be final and conclusive for shipments not accompanied by a packing list. Charter's order numbers and symbols must be plainly marked on all invoices, packages, bills of lading, and shipping orders. Delays in receiving invoices, errors or omissions on invoices, or lack of supporting documentation required by the terms of Charter's order shall be cause for withholding payment without losing discount privileges. Charter may deduct from Seller's invoice any charges that result from Seller's failure to provide required documentation.
4. **DELIVERIES:** Charter's production schedules are based upon the agreement that the Seller will deliver the goods or provide the services purchased by the date specified on the face of the Purchase Order. Time is of the essence for this Purchase Order. Seller will promptly notify Charter in writing of any and all events which could affect the ability of Seller to make deliveries or provide services at the specified times or in the specified quantities. If deliveries or services are not made or provided at the time agreed upon, Charter reserves the right to cancel this Purchase Order. In such event, Charter may purchase elsewhere and hold Seller liable for damages. Delivery of any goods prior to the delivery schedule or delivery of any goods in excess of the specified quantity, without Charter's prior written approval, shall be solely at Seller's risk. Charter shall have no obligation to pay for goods shipped in excess of the specified quantity. Charter shall have no obligation to pay for goods shipped in advance of the delivery schedule specified until the normal maturity date following the date specified for delivery.
5. **TRAFFIC ROUTING:** The Seller shall be liable for any losses resulting from deviation from Charter's routing instructions and such losses will be charged to Seller's account.
6. **FORCE MAJEURE:** Charter shall not be held responsible for any failure to perform under this Purchase Order if such failure is due to matters outside Charter's control, including, but not limited to federal, state, or local action, statute, ordinance or regulation, strike or other labor trouble or other incidents outside Charter's control which makes acceptance impossible or impractical.
7. **INSPECTION AND REJECTION:** Payment for the goods or services provided hereunder shall not constitute acceptance. Charter shall have the right to inspect such goods or services and to reject any or all of the goods or services which are defective, in Charter's judgment. Final inspection shall be on Charter's premises and made within 180 days after receipt of the goods or the performance of the services requested unless otherwise agreed in writing. Goods rejected may be returned to Seller at its expense, in addition to Charter's other rights. Charter may charge Seller all expenses of unpacking, examining, repacking and reshipping such goods. In the event Charter receives goods whose defect or nonconformity is not apparent on examination, Charter reserves the right to require replacement as well as payment of damages. Any goods rejected by Charter shall be held, reshipped or otherwise disposed of solely at Seller's risk and expense.
8. **PAYMENT:** If no payment date is specified in this order, payment shall be net, cash no less than thirty (30) days after completion of delivery of the goods to Charter and the performance of the services requested.
9. **ASSIGNMENT/RIGHT OF SETOFF:** Seller shall not delegate any duties or assign any rights or claims under this Purchase Order, nor use any subcontractor without prior written consent of Charter, and any such attempted delegation or assignment shall be void. All claims for moneys due or to become due from Charter shall be subject to deduction by Charter for any setoff or counterclaim arising out of this or any other contract between Seller and Charter, its subsidiaries, or affiliates, whether such setoff or counterclaim arose before or after any such assignment or delegation by Seller.
10. **PRICES:** Unless otherwise specified, the prices set forth in this order include all applicable federal, state and local taxes and all shipping costs, duties and other charges. If a price is specified in this order, no increase in price may be charged by Seller to Charter without the written consent of Charter. If no price is specified in this order, the goods or services shall be billed at the price last quoted to Charter or the prevailing market price, whichever is lower. In the event that the prices in effect at the date of acceptance of this order on items specified in this order are reduced prior to the date of the final delivery or completion of performance, or in the event that Seller shall quote lower prices to other purchasers for the same or comparable goods/services and in similar or lesser quantities before the final delivery or completion of this order, Seller agrees to afford to Charter the benefit of the reduction or lower prices on the whole of this contract. In the event that Charter has made any payments on this contract prior to a reduction in price required by this Section, Seller agrees to credit the amount of the resulting overpayment to the balance due on this contract, or Charter's account or pay such overpayment to Charter in cash, at Charter's option.
11. **QUANTITIES:** Shipments must equal exact amounts ordered unless otherwise agreed by Charter.
12. **REPLACEMENT PARTS:** After completion of this order, Seller guarantees to supply replacement parts for any standard goods supplied at then current prices for at least five (5) years from date of delivery.
13. **WARRANTIES:** Seller warrants that all goods delivered and services provided hereunder (i) shall be free from defects in workmanship, material and manufacture for a period of one (1) year from the date of delivery; (ii) shall comply with the requirements of the Purchase Order, including any drawings or specifications incorporated herein or samples furnished by Seller; and, (iii) if of Seller's design, shall be free from defects in design. Seller further warrants that it has good and marketable title to all items purchased hereunder and that such items shall be of merchantable quality and shall be fit for the purposes intended, whether express or implied. The foregoing warranties shall survive any delivery, inspection, acceptance or payment by Charter, and shall run to Charter, its successors, assigns, customers and any third parties injured in person or property by reason of any breach. In the event that any goods delivered or services provided hereunder shall be defective or hazardous in any respect whatsoever, Seller will indemnify and hold Charter harmless from and against any and all losses, claims, costs (including counsel fees and increased Workers' Compensation premiums) and damages (including incidental and consequential damages) which Charter may sustain or become liable for in whole or in part by reason of said defect, whether said losses, costs, claims and damages result from injuries to persons or property, and whether said liability is premised on contract, tort (including, without limitation, strict liability), or otherwise.
14. **WORK AT CHARTER'S PREMISES:** In the event this Purchase Order covers construction work, the installation of machinery or equipment or the performance of services at the premises of Charter, Seller shall defend and save Charter harmless against all claims of employees and agents of Seller for compensation payable under the Workers' Compensation Act of each state in which the work or services covered by this Purchase Order is to be performed. Seller shall also defend, indemnify, and save Charter harmless from, for and against any and all liability, loss, outlay and expense resulting from any accident or act of omission or commission of any employee or agent of Seller while engaged in the performance of the work or services covered by this Purchase Order.
15. **PATENTS:** Seller agrees to defend, indemnify and save Charter harmless from and against any and all claims for infringement of any patent, trademark, copyright or industrial design covering any articles purchased hereunder or their use. Charter may actively participate through its own counsel in any suit or proceeding relevant to such claim if it so desires. Seller agrees to indemnify Charter for all losses of whatever nature incurred as a consequence of injunctions against the sale, use or resale of any articles purchased under this Purchase Order. Any such claim of infringement, whether asserted against Charter or Seller and regardless of its validity, shall constitute cause for termination of this order if Charter so elects, and damages to Charter after such termination, in addition to the indemnities granted herein, shall be calculated in the same manner as damages for nondelivery.
16. **DESIGNS AND DEVELOPMENTS OF CHARTER:** In the event this Purchase Order covers machinery, equipment, and/or manufacturing apparatus, the development or design of which is the concept of or is paid for by Charter, all patent rights incident to such machinery, equipment and/or manufacturing apparatus shall automatically become the exclusive property of Charter, and Seller shall cooperate with Charter in obtaining all pertinent patents for Charter, and Seller shall also do all things necessary to perfect title to such patents in Charter.
17. **SUPPLEMENTARY INFORMATION:** Any specifications, drawings, notes, instructions, engineering notices, or technical data referred to in this Purchase Order shall be deemed to be incorporated herein by reference as if fully set forth. In case of any discrepancies or questions, the Seller shall refer to Charter for decision or instructions or for interpretation.
18. **NONDISCLOSURE AND CHARTER'S PROPERTY:** All drawings, specifications, patterns, information or data furnished by Charter or developed by Seller in connection with this Purchase Order shall be Charter's exclusive property, shall be used by Seller only for Charter's work, shall be kept confidential, and shall be returned promptly at Charter's request. Seller shall not disclose any such drawings, specifications, patterns, information or data to third persons except to the extent that such disclosure is necessary for the proper performance of Seller's obligations hereunder, and then only after such third party has expressly agreed in writing to keep such property confidential. All dies, molds, jigs, fixtures, tools, and other equipment furnished to Seller by Charter or made by Seller for performance of this Purchase Order, and any replacements thereof, shall be the property of Charter. Such property shall be adequately identified as Charter's property and shall be safely stored separate and apart from Seller's property. Seller shall not use such property except in filling Charter's orders. All risk of loss or damage to such property furnished by Charter, other than for ordinary wear and tear, shall be upon Seller until the same has been redelivered to Charter, and Seller shall maintain insurance at least equal to the replacement value of same. The obligations of this clause shall survive the cancellation, termination, or completion of this order.
19. **TERMINATION:** Charter may, at any time, terminate this order in whole or in part by written notice. If, this order is terminated for Charter's convenience and Seller is in full compliance with the conditions of this order, any claim by Seller shall be settled on the basis of reasonable costs it has incurred in the performance hereof prior to the receipt of the notice. If, however, Seller (i) has breached any condition of this order, whether said breach affects the entire order or one or more installments, (ii) is insolvent by any test, (iii) is the subject of any proceeding voluntary or involuntary, in bankruptcy, or (iv) appoints or suffers the appointment of a trustee, receiver or assignee for the benefit of creditors, Seller shall not be entitled to any costs, and Charter shall have against Seller all remedies provided at law or equity. In no event shall Charter be liable for incidental or consequential damages.
20. **CUMULATIVE RIGHTS AND REMEDIES:** The rights and remedies herein provided to Charter shall be cumulative, and shall be in addition to any other rights and remedies, provided at law or equity.
21. **WAIVER:** A waiver by Charter of any failure on Seller's part to carry out any condition, term or part of this Purchase Order shall not act as a waiver by Charter with respect to any recurrence of such failure or with respect to a failure to carry out any other condition, term or part.
22. **DISCOUNTS:** If discounts are offered by Seller for payment of the contract price within a specified time period, such period shall not begin to run until the latter of (i) the receipt by Charter of Seller's invoice or (ii) delivery of the goods and performance of the services requested; provided, however, such period shall not begin to run with respect to goods delivered early until the date specified for delivery.
23. **SOLE AGREEMENT:** This proposal supersedes and cancels any previous understanding or agreement, written or implied, between the parties relating to the goods and/or services covered. It expresses the complete and final understanding of the parties in respect thereto, and may not be changed in any way except in writing signed by authorized representatives of both parties.
24. **ARBITRATION:** All controversies and claims arising out of or relating to the contract, or any alleged breach thereof, shall be settled by arbitration proceedings in the city where Charter's place of business, as shown on the face of this Purchase Order, is located, in accordance with the rules then pertaining of the American Arbitration Association, and judgment upon any award thereon may be entered in any court having jurisdiction thereof.
25. **COMPLIANCE WITH STATUTES AND REGULATIONS:** Seller warrants and certifies that in the performance of Charter's order it will comply with all applicable statutes, rules, regulations, orders, including all Equal Employment Opportunity statutes and orders, now in effect or later enacted, of the United States of America and of any state or political subdivision of any state, including but not limited to statutes, rules, regulations, and orders pertaining to labor, wages, hours and other conditions of employment, wage and price ceilings, if applicable, and the Fair Labor Standards Act, as amended.
26. **CONTRACT:** This Purchase Order, when accepted, shall be a contract made in the state shown in Charter's address on the face of this Purchase Order and governed by the laws of that state.