

INNOVATIVE INJECTION TECHNOLOGIES, INC.
STANDARD TERMS & CONDITIONS OF PURCHASE

- (1) ACCEPTANCE AND ACKNOWLEDGEMENT--Buyer shall not be bound by the purchase order until Seller receives and returns to Buyer the acknowledgement copy of the order. Seller shall be bound by the purchase order including all of its terms and conditions when it executes and returns the acknowledgment or when it delivers to Buyer any of the items ordered, or renders for Buyer any of the services herein. No contract shall exist except as here in above provided. Any different or additional terms contained in acceptance are hereby objected to. In the event this purchase order is used by the Buyer as a written confirmation of an oral contract or as written acceptance of an offer to sell received from Seller, such confirmation or acceptance is hereby expressly made conditional on Seller's assent to the additional or different terms contained herein. This purchase order and any contract resulting therefrom shall be governed by and construed under the laws of the State of Iowa.
- (2) PRICE--Seller shall not be paid at prices higher than listed on this purchase order unless authorized by a Revision of Purchase Order issued and signed by the Buyer, Seller represents that the price charged for the items or services covered by the order, is the lowest price charge by the Seller to buyers of class similar to Buyer under conditions similar to those specified in the order and that prices comply with applicable government regulations in effect at time of quotation, sale, or delivery. Seller agrees that any price reduction made in merchandise covered by this order subsequent to the placement of this order buy prior to shipment of such merchandise will be applicable to this order.
- (3) INVOICING AND CASH ACCOUNTS--Invoices must be received promptly and in duplicate. Cash discounts will be calculated from the date acceptable invoice is received from the Buyer.
- (4) AMENDMENTS--Buyer shall have the right at any time before completion of the order to make changes in quantities, in drawings and specifications, in delivery schedules, and in methods of shipment and packaging. If such changes cause an increase or decrease in prices or in the time required for performance, Seller shall promptly notify Buyer thereof, and an equitable adjustment be made. Changes shall not be binding upon Buyer unless evidenced by a purchase order change notice issued and signed by Buyer. None of the terms and conditions contained in this purchase order may be added to, modified, superseded or otherwise altered except by a written instrument signed by an authorized representative of Buyer and delivered by Buyer to Seller, and each shipment received by Buyer from Seller shall be deemed to be only upon the terms and conditions contained in this purchase order, notwithstanding any terms and conditions that may be contained in any acknowledgement, invoice or other form of Seller and notwithstanding Buyer's act of accepting or paying for shipment or similar act of Buyer.
- (5) TERMINATION--Buyer may at any time terminate all or any part undelivered quantities on this purchase order, or any revisions thereof, or any release and shipping schedule pursuant thereto, Seller agrees that any termination charges made in consequence shall be limited to cost of material, labor incurred on items cancelled prior to knowledge of their cancellations.
- (6) PACKING, MARKING AND SHIPPING--(a) All supplies shall properly packed, marked and shipped in accordance with the requirements of the common carrier transporting such supplies and of this purchase order and in a manner which will permit the securing of the lowest transportation rates, Seller shall route shipments in accordance with Buyer's instruction. Seller shall reimburse Buyer for all expenses incurred by Buyer as a result of improper packing, marking or routing; (b) Seller shall mark each package with Buyer's purchase order number; (c) Seller shall pay all transportation charges unless otherwise agreed to in a writing by the Buyer: any transportation charges paid by Seller and for which Buyer has agreed in writing to reimburse Seller, shall be added to Seller's invoice as separate item and the receipted freight bill shall be attached thereto; (d) unless otherwise provide herein to change shall be made by Seller for containers, crating, boxing, bundling, dunnage, drayage or storage; (e) Seller shall not insure shipments for Buyer's account without definite instructions; (f) deviation from shipping and billing instructions given herein will be at Seller's risk.
- (7) INSURANCE--The cost of all in-transit insurance shall be paid by Seller except as otherwise expressly stated in this purchase order.
- (8) RISK OF LOSS--Without regard to any F.O.B. or other delivery terms stated herein, risk of loss as to the goods sold hereunder shall pass from Seller to Buyer when the goods are duly delivered to Buyer.
- (9) DELIVERIES--Seller shall not be liable for damages or delays in delivery of goods or performance of services due to causes beyond its reasonable control. However, if Seller for any reason does not substantially comply with the delivery or performance date(s) specified in this order, Buyer may cancel all of any undelivered or uncompleted part of this order without any liability to Buyer on account thereof. Seller shall not ship ahead of schedule unless so authorized by Buyer.
- (10) WARRANTY--Seller warrants that the supplies covered by the order will conform to the specification, drawings, sample or other description furnished or specified by Buyer, and will be fit and sufficient for the purpose intended, merchantable, of good material and workmanship and free from defect.

- (11) PATENTS--Seller guarantees that the sale or use of any or all articles or materials delivered hereunder, will not infringe any United States or Foreign Patent, the Seller will at its own expense, defend any action, suit or claim in which any infringement of Patent Right is alleged with respect to the sale or use of said article or materials and that Seller will save the Buyer and/or its customers from any loss, damage or liability, including attorneys' fees and expenses, which may be incurred on account of infringement of Patent Right with respect to the articles or material delivered unless said articles or material are produced in accordance with Buyer's designs and specifications.
- (12) INDEMNITY--(a) In the event any goods sold or delivered hereunder shall be defective in any respect whatsoever, Seller shall indemnify and save harmless Buyer from all loss or expense, including attorneys' fees and expenses, by reason of all accidents, injuries, or damages to persons or property in any manner arising out of or incident to the use, possession or sale of such goods, whether or not such article has been incorporated in and made a part of another product by Buyer, (b) if Seller's work under this order involves operations by Seller on or about the premises of Buyer, Seller shall in connection with such operations (i) protect, indemnify and save harmless Buyer from and against all loss or expense in any way arising out of, connected with, or related any act or omission of Seller, its officers, employees, agents or subcontractors (ii) maintain insurance in amounts satisfactory to Buyer such as will protect Buyer from any claims for public liability, property damage, and from any claims under any applicable employer liability, Workmen's Compensation or Occupational Disease Acts (iii) furnish evidence to Buyer of the maintenance of such insurance by Seller.
- (13) CONFIDENTIAL INFORMATION--Seller shall treat as strictly confidential all specifications, drawings, blueprints, samples, models, and other information supplied by Buyer, Seller shall not without the prior written consent of Buyer disclose or divulge to any third person or persons any such information not previously known to Seller or not common knowledge in the industry.
- (14) TOOLS, DRAWING, ETC.--Unless otherwise agreed to in writing, all special dies, molds, patterns, jugs, fixtures, drawings, and any other property furnished to the Seller by the Buyer, or specifically paid for by the Buyer, for use in the performance of the order shall be and remain the property of the Buyer, shall be subject to removal upon Buyer's instruction, shall be used only in filling orders from the Buyer, shall be held at the Seller's risk, and unless Buyer has notified Seller to the contrary, shall be kept insured by the Seller at Seller's expense while in its custody or control in an amount equal to the replacement cost thereof, with loss payable to the Buyer. Copies of policies or certificates of such insurance will be furnished to Buyer on demand.
- (15) ASSIGNMENT--This contract may be assigned without the written consent of the Buyer.
- (16) INSPECTION--Materials or equipment purchases hereunder are subject to inspection and approval at the Buyer's destination. Buyer reserve the right to reject and refuse acceptance of items which are not in accordance with the instruction, specifications, drawings and data or Seller's warranty (express or implied). Items not accepted will be returned to Seller at Seller's expense. Payment for any articles hereunder shall not be deemed an acceptance thereof.
- (17) GOVERNMENT CONTRACTS--If this purchase order is for services or material under a government contract, all of the provisions of the government contract including applicable government procurement regulations shall apply to the purchase order.
- (18) EXCEPTIONS--Modifications hereof appearing on the face of this order shall prevail whenever they are in conflict with the printed matter contained on this page.
- (19) LAWS--In accepting this order Seller represent that it has and will continue during the performance of this order to comply with the provisions of all federal, state and local laws and regulations from which liability may accrue to Buyer for any violation thereof. By acceptance hereof, Seller certifies compliance with the Fair Labor Standards Act of 1933, and all regulations and executive orders issued pursuant thereto, as amended, in the performance of this order.
- (20) FORUM--Any litigation concerning this purchase order shall be exclusively in the forum of the state of feral court located in Des Moines, Iowa.