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Seller Terms and Conditions Agreement and Acceptance

DEFINITIONS

The Purchase Order constitutes the complete and final offer of Paragon Manufacturing Corp (hereafter known as "Buyer") to the vender identified on the face of the Purchase Order ("Seller") for the goods described on the face of the Purchase Order (the "Goods").

AGREEMENT AND ACCEPTANCE

In accepting the Purchase Order and/or making any deliveries hereunder, Seller agrees to these Terms and Conditions attached to the Purchase Order. The Purchase Order constitutes the entire agreement between the Buyer and Seller with respect to the Goods, and supersedes all previous offers and agreements, whether oral or written, including any quotations made by the Seller. No addition to or other modification of the Purchase Order shall be binding on Buyer unless it is in writing and executed by a duly authorized representative of Buyer. Paragon and/or its customers and any authorized regulatory agencies shall be afforded the right of entry/right of access to any place necessary to determine and verify the quality of contracted Goods, work and records pertaining to the related Purchase Order. In the event of a conflict between any of the Terms and Conditions contained on the face of the Purchase Order and these stated Terms and Conditions, the Terms and Conditions on the face of the Purchase Order shall take precedence.

CHANGE/DEVIATION REQUESTS

Any changes or deviations requested or required by Buyer of any Goods after Seller's acceptance of Buyer's purchase order shall be agreed upon between both parties in writing and Buyer will issue a revised purchase order or send written approval of said change(s). In the event that an agreement concerning changes cannot be reached then such purchase order shall, at the option of either party, be cancelled by written notice.

PAYMENT TERMS

Payment for all Goods shall be paid according to the terms appearing on the face of the Seller's invoice. In the absence of payment terms, the term shall be fixed at NET 30. Unless otherwise specifically stated on the invoice, the invoice amount and all related freight, taxes and tariffs shall be paid in U.S. funds, in full, when due.

FORCE MAJEURE

Seller shall provide notice, as soon as practically possible, in the event of non-fulfillment or delayed performance of all or part of any contract for the sale of Goods, due, directly or indirectly, to any Act of God, civil commotion, sabotage, Government orders, rules, restrictions, regulations, fire, flood, explosions, war, strikes, labor disputes, power or equipment failure, transportation delays, loss or damage of Goods in transit, Seller's inability to ship Goods due to the failure of any third party to supply Seller with necessary components, or any other casualties, contingencies, occurrences or conditions whatsoever beyond the reasonable control of the Seller.

PACKAGING

Seller shall be responsible for proper packaging of all Goods and will comply with Buyer's requested method of transportation/freight as noted on the face of the Purchase Order. Buyer's weight and/or count will be accepted as final and conclusive on all shipments if there is a discrepancy between the quantities noted on the packing list. Delivery to Buyer shall be construed as the on dock date at Buyers facility (required date) as noted on the Purchase Order. Buyer may accept early shipments when authorized in writing.

INSPECTION

All goods furnished hereunder will be subject to inspection and test by Buyer at all times and places and will be subject to Buyer's final inspection and approval within a reasonable time after delivery. It is the Seller's responsibility to

ensure that all Goods, assembly, material and process specifications reflect the latest revision levels. If Seller delivers non-conforming Goods, Buyer may at its option and at Seller's expense: (1) reject and return the Goods for credit or refund; (2) require Seller to promptly correct or replace the Goods; (3) correct the Goods; or (4) obtain replacement Goods from another source. Seller shall not redeliver corrected or rejected Goods without disclosing the former rejection or requirement for correction. Seller shall disclose any corrective action taken. Repair, replacement and other correction and redelivery shall be completed within the original delivery schedule or such later time as Buyer may reasonably direct. All costs, expenses and loss of value incurred as a result of or in connection with nonconformance and replacement or other correction may be recovered from Seller by equitable price reduction or credit against any amounts that may be owed to Seller under this Purchase Order or another.

WARRANTY

By accepting this Purchase Order the Seller expressly warrants that all Goods supplied as a result of an order shall conform to the specifications, drawings or other descriptions upon which the order was placed, and shall be fit and sufficient for the purpose intended. Supplier agrees to replace or correct promptly any defective Goods when notified of the deficiency. Where applicable, the Seller warrants that the Goods covered by this Purchase Order are in compliance with all laws, regulations, rules, and orders relating to the importation of Goods into the United States, the exportation of Goods out of the country of origin, the transit of Goods through intermediate countries and the sale and use of foreign made Goods in the United States. Seller further warrants that it has obtained all permits, licenses, and certifications necessary for the Goods to be exported out of the country of origin, imported in the United States, delivered to Buyer and used or sold within the United States.

TITLE; RISK OF LOSS

Title shall pass to Buyer upon Buyer's receipt of Goods at destination. Risk of loss of all Goods shall remain with Seller until receipt by Buyer at destination, unless otherwise specified in this Purchase Order, except for loss occasioned by gross negligence or willful neglect of Buyer or its customer.

CONFIDENTIALITY

Unless otherwise agreed by Buyer in writing, Seller shall keep confidential and not disclose to any third party, any confidential and/or proprietary materials provided by Buyer to Seller in connection with Seller's performance of this Purchase Order or prepared by Seller specifically for Buyer pursuant to this Purchase Order, including but not limited to any drawings, masters, software, specifications, raw materials, components, data, business information or plans, customer lists or other customer information ("Confidential Information"). Seller shall not make any copies of Confidential Information except as specifically authorized by Buyer in writing. At the completion of this Purchase Order, or upon Buyer's request, Seller shall promptly return to Buyer all Confidential Information not consumed in the performance of this Purchase Order, together with any copies in Seller's Possession. Seller shall use Confidential Information solely for Seller's performance of this Purchase Order for Buyer, and Seller shall not, without Buyer's written consent, directly or indirectly use Confidential Information or information derived there from in performing services or providing Goods for any other customer of Seller, or any other person or entity.

INDEMNIFICATION

Seller agrees to indemnify, defend, and hold Buyer harmless from and against all losses, damages, liability, actions, judgments, costs, and expenses (including, but not limited to, reasonable attorneys' fees and other expenses of litigation), suffered, incurred, or asserted by or against Buyer (a) by reason of Seller's breach of a warranty, (b) by reason of Seller's breach of any term of this Purchase Order, or (c) by reason of personal injury, including death, or property damage sustained by a third party, resulting from or arising out of an act or omission of Seller, or Seller's agents, employees, or contractors in fulfillment of this Purchase Order.

DISPUTE RESOLUTION

Disputes/Attorney's Fees. Any dispute that arises under or is related to this Purchase Order that cannot be settled by mutual agreement of the parties may be decided by a court of competent jurisdiction, and the parties agree to and consent to Jurisdiction in the State of Washington. Pending final resolution of any dispute, Seller shall proceed with performance of this purchase order according to Buyer's instructions so long as Buyer continues to pay amounts not in dispute. The prevailing party in any action filed regarding this order shall be entitled to recover its attorney's fees as a part of the claim.

GOVERNING LAW

This Purchase Order shall be governed and interpreted by the laws of the State of Washington which are in force on the date of this agreement. In the event that the Seller fails to perform any of its obligations, Buyer shall be entitled to all legal and equitable remedies under Washington State law.

GENERAL

The terms and conditions set forth herein constitute the entire contract between the Buyer and Seller, relating to the sale of Goods, acceptance is limited to the terms set forth in these terms and conditions and no additional or different terms proposed by the Seller shall become a part of the contract between Buyer and Seller unless Buyer expressly agrees in writing. This contract prevails over any and all inconsistent terms proposed by Seller. Acceptance of Buyer's order by Seller is expressly made conditional on Seller's assent to these terms and conditions of sale, evidenced either by Seller's written acknowledgment or by conduct that recognizes the existence of a contract with respect to the Goods described in Seller's Purchase Order confirmation.