

GENERAL TERMS AND CONDITIONS

Unless otherwise specifically provided, the following terms and conditions shall be applicable to a purchase of products under this purchase order ("Order"):

1. Delivery/Acceptance of Products. K&B Machining, Inc. (hereafter called "K&B") shall be deemed to have delivered the products covered by this Order when delivered or accepted by a common carrier or licensed trucker. All claims for alleged defects with respect to products delivered hereunder shall be waived unless made in writing and delivered by Buyer to K&B within ten (10) days of receipt of such products by Buyer. Buyer shall afford K&B prompt and reasonable opportunity to inspect all products as to which any claim is made. Upon expiration of such ten (10) day period, Buyer shall be deemed to have accepted the products delivered, and K&B shall have no further obligation or liability of any nature with respect to such products. Risk of loss or damage in transit shall transfer to Buyer upon delivery or acceptance of products to a common carrier or licensed trucker. K&B reserves the right to make delivery in installments, unless expressly stipulated in writing. All such installments shall be separately invoiced and paid for when due, without regard to subsequent deliveries. If market conditions warrant and both parties agree, K&B or Buyer may choose to delay delivery of any installment or order. Delay in delivery of any installment shall not relieve Buyer of its obligation to accept remaining deliveries.

2. Payments; Taxes. Payments shall become due as indicated in the Order. Unless otherwise stated on the front of the purchase order, the prices do not include (i) sales, use, excise and similar taxes applicable to the products furnished herein, or (ii) any shipping charges required to deliver any products furnished hereunder to Buyer's place of business. K&B reserves the right at any time to revoke any credit extended to Buyer because of Buyer's failure to pay for any goods or services when due or for any other reason, as determined by K&B acting in its sole discretion, and in such event all subsequent shipments shall be paid for on delivery. Buyer shall pay all expenses of K&B incurred or paid in protecting, enforcing, or exercising K&B's interests, rights or remedies created by, connected with or provided herein. Such expenses shall include, without limitation, charges and disbursements of legal counsel for K&B.

3. Warranty. K&B WARRANTS THAT THE PRODUCTS DELIVERED HEREUNDER WILL MEET THE BUYER'S SPECIFICATIONS PROVIDED ON THE PURCHASE ORDER. WITH RESPECT TO THE PRODUCTS DELIVERED HEREUNDER, K&B DISCLAIMS ANY AND ALL WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

4. Acceptance. Any proposed additional terms shall be deemed rejected unless specifically approved by K&B in writing. BY ACCEPTING THE PRODUCTS ORDERED UPON DELIVERY, OR BY ACKNOWLEDGING RECEIPT OF THIS ORDER, YOU AGREE TO THE TERMS AND CONDITIONS CONTAINED SOLELY IN THIS ORDER. ANY DIFFERENT OR ADDITIONAL TERMS IN YOUR ACCEPTANCE OF THIS ORDER ARE HEREBY SPECIFICALLY REJECTED.

5. General Terms.

(a) This Order constitutes the entire agreement between the parties, and K&B shall not be bound by any agent's or employee's representation, promise or inducement not set forth herein. The parties hereto have voluntarily agreed to define all rights, liabilities and obligations respecting the sale and purchase of the products ordered hereunder exclusively pursuant to the express terms and provisions of this Order. Unless otherwise specifically agreed in writing by K&B, this Order shall be the exclusive agreement between K&B and Buyer and any credit application, receipt, correspondence, sales orders, invoice or other documentation provided by Buyer shall be entirely superseded by this Order. No waiver, alteration, or modification of any of the provisions hereof, shall be binding on K&B unless in writing, and signed by K&B's duly authorized representative.

(b) Any notice required or permitted to be given under this agreement shall be sufficient if in writing, and shall be deemed to have been given if personally delivered or if deposited in the United States mail, by certified mail, with proper postage prepaid thereon, addressed as to the parties as set forth on the front page of this agreement or to such other address as either party may hereafter advise the other by notice given in accordance with the provisions hereof.

(c) The rights and obligations of the parties under this agreement shall inure to the benefit of and shall be binding upon their successors and assigns; provided, however, that Buyer may not assign this Order without the prior written consent of K&B. This Order may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same Order. The provisions of this Order shall be deemed severable, and the invalidity or unenforceability of any one or more of the provisions hereof shall not affect the validity and enforceability of the other provisions hereof. Every covenant, term and provision of this Order shall be construed simply according to its fair meaning and not strictly for or against any party.

(d) This Order shall be construed in accordance with, and the rights and duties of the parties hereto shall be governed by, the internal laws of the State of Oklahoma. If a dispute arising out of or relating to the subject matter of this Order is not resolved through good faith consultation between the parties, the parties agree first to try in good faith to settle the dispute by non-binding mediation administered by the American Arbitration Association (the "AAA") under its Commercial Mediation Rules. The mediation shall be held in Tulsa, Oklahoma. Upon delivery to the AAA of a notice describing the nature of the claim and the provisions of this agreement which are the basis of the dispute, the claim shall be deemed to have been submitted to mediation. The parties agree to the selection of a single mediator to participate in mediation of the dispute. If the parties are unable to agree upon a single mediator, then the AAA shall appoint a single mediator. Each party shall pay its own costs and expenses incurred in connection with mediation and the parties shall share equally in all costs and expenses associated with the mediator. Each party may be represented at the mediation by its counsel, and each party shall have present at the mediation one or more representatives with authority to bind the party to any resolution that may be mediated. In the event that mediation does not resolve the dispute, such dispute shall be settled by binding arbitration administered by the AAA under its Commercial Arbitration Rules. The arbitration shall be held in Tulsa, Oklahoma unless otherwise agreed by the parties. Upon delivery to the AAA of a notice describing the nature of the claim and the provisions of this Order which are the basis of the dispute, the claim shall be deemed to have been submitted to arbitration. The arbitration hearing shall be held before three AAA panel members. The parties shall share equally in the costs and expenses associated with the arbitrators, unless the arbitrators award costs, including attorneys' fees, to the party receiving a monetary or other affirmative award. The arbitration proceeding shall be held at a time and place selected by agreement of the parties or, in the absence of such agreement, at the time and place selected by a majority of the arbitrators. In the arbitration proceeding, each party shall be permitted to obtain discovery before the final hearing that includes, at a minimum, (1) three depositions of fact witnesses and depositions of all experts, (2) responses to written discovery requests, and (3) voluntary disclosure of all fact witnesses having personal knowledge of relevant facts. It is the parties' intent to limit discovery to the parameters set forth above unless they later agree in writing to permit additional discovery or the AAA panel members determine upon hearing that some additional discovery is warranted. The decision of the arbitrators is binding on the parties and, following completion of the arbitration, a party may not institute litigation to reverse the decision of the arbitrators. A party may, however, institute litigation to enforce the decision of the arbitration. Once a claim is submitted to arbitration, neither party may institute litigation regarding the claim, except to enforce that arbitration decision. The entire procedure provided in this Section 6(d) is confidential and no record shall be made of the proceedings. All conduct, statements, promises, offers, views, opinions, whether oral or written, made in the course of the proceedings by any of the parties, their agents, employees, representatives or their invitees and by a mediator or arbitrator are confidential and shall, in addition and where appropriate be deemed to be work product and privileged.

(e) Buyer acknowledges and agrees that Buyer is dealing exclusively with K&B in connection with this Order. No past, present or future director, officer, employee, member, partner, stockholder, affiliate, agent, attorney or representative of K&B shall have any liability (whether in contract, in tort or otherwise) for any duties, obligations or liabilities of K&B arising under, in connection with or related to this Order or for any claim based on or in respect of, or by reason of the sale and purchase of the products to be purchased under this Order, including, without limitation, any alleged non-disclosure or misrepresentations made by any such persons.

(f) K&B shall not be liable for failure to deliver or delays in delivery occasioned by strikes, lockouts, fires, inability to obtain materials or shipping space, breakdowns, delay of carriers or suppliers, governmental acts and regulations, and other causes beyond K&B's control.

(g) K&B's liability shall be limited to the stated cost of any defective goods and shall in no event include Buyer's costs, lost profits or good will, or any other direct, indirect, special or consequential damages. Buyer agrees to use or make use of any products delivered hereunder in compliance with all applicable laws (including, without limitation, all applicable patent laws), statutes, rules, regulations or order of the United States government or of any state or political subdivision therefor. Buyer further agrees to hold K&B harmless from (i) any and all judgments and decrees that may be entered against K&B or K&B's vendors, immediate or remote, and (ii) any and all costs and expenses that K&B may incur by virtue of Buyer's violation of any such laws (including claims for infringement, whether such infringement be direct or indirect). Buyer agrees that it will, at K&B's request, and at Buyer's sole cost and expense, defend or assist in the defense of any suit or action that may be brought against K&B or K&B's vendors, immediate or remote, with respect to any such violation or infringement.