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## OMNI SYSTEMS, INC. STANDARD TERMS AND CONDITIONS OF PURCHASE

Unless otherwise agreed in a writing signed by Omni Systems, Inc. ("Omni"), the following terms and conditions shall apply to any purchase of goods or services by Omni from you (the "Seller"):

**1. Offer and Acceptance.** Omni's Purchase Order is an offer by Omni to purchase the goods or services listed in the Purchase order (the "Products"). Seller may accept this offer orally, in writing or by commencing performance, but Seller's acceptance, regardless of form, shall not alter these terms and conditions. Omni expressly objects to any terms or conditions in any of Seller's printed forms or other writings which are additional to, different from or inconsistent with those contained in this document and the Purchase Order. Seller's printed forms shall not be sufficient objection to any of the terms and conditions in this document and the Purchase Order. Omni's acceptance of or payment for any Products shall not in any way alter the terms and conditions of this document and the Purchase Order. Omni's failure to object to terms or conditions in any order acknowledgement, invoice or other communication from Seller shall not constitute a waiver of the terms and conditions of this document and the Purchase Order. No course of dealing, custom or usage which is contrary to Omni's terms shall apply.

**2. Prices; Payment.** Omni shall pay the price(s) stated in the Purchase Order. Payment shall be due after the later of Omni's receipt and inspection of the Products or Omni's receipt of proper invoices. If the price is omitted from the Purchase Order, Seller shall not charge any price higher than the most recent price quoted to Omni prior to the date of the Purchase Order.

**3. Changes; Cancellation.** Omni may change its Purchase Order and any related drawings, specifications, shipping instructions, quantities, and delivery schedule, or cancel the Purchase Order without cause, at any time by written notice to Seller. If appropriate, the parties shall then negotiate in good faith an equitable adjustment in price and/or time for performance or, in the event of cancellation, Omni shall pay for all Products delivered and acceptable to Omni and compensate Seller for costs incurred for work in process, but in no event in an amount in excess of the price specified in the Purchase Order. Upon notice of cancellation, Seller shall, unless otherwise directed, immediately discontinue all work in process and immediately cancel all orders or subcontracts given or made pursuant to this Purchase Order.

**4. Packing and Shipping.** Seller shall pack, mark and prepare the Products for shipment in accordance with any instructions from Omni or, absent instructions, in a manner which will prevent damage or destruction. Seller shall ship the Products in accordance with Omni's instructions or, in the absence of instructions, at the lowest transportation rates available. Omni shall not be liable for the cost of packing, crating or cartage.

**5. Title and Risk of Loss.** Products will be shipped FOB Omni's location. Seller shall retain title and all risk of loss until delivery to Omni's facility. Seller shall furnish Products to Omni free and clear of all liens, claims and encumbrances.

**6. Scheduling.** Seller shall deliver Products strictly in accordance with the schedule specified by Omni or, if no schedule is specified, within a reasonable time. **TIME IS OF THE ESSENCE.** Seller must notify Omni immediately of any delays. Omni may cancel all or any part of the Purchase Order if Products are not delivered in accordance with the specified schedule. Omni may reject any Products received after the scheduled delivery date(s).

**7. Warranties; Remedies.** In addition to any specific warranties set forth in the Purchase Order, Seller warrants: (a) all Products will conform to the requirements of the Purchase Order (including but not limited to all applicable descriptions, specifications, drawings, data and samples, whether supplied by Seller or Omni) and will be merchantable, of first class material and workmanship, free from defects including defects in design, and fit, suitable and sufficient for their intended purposes or, to the extent they are services, will be rendered in a good and workmanlike manner consistent with industry practices; (b) that in performance of the Purchase Order, Seller has complied or will comply, and all Products have been produced or furnished in full and complete compliance, with Federal, State and local laws and ordinances and all lawful orders, rules, and regulations thereunder, including without limitation compliance with Executive Order No. 11246 (Equal Employment Opportunity), Executive Order No. 11701 (listing of Job Openings for Disabled Veterans and Veterans of the Vietnam Era), Executive Order 117568 (Employment of the Handicapped), the Federal Occupational Safety and Health Act of 1970, the Consumer Product Safety Act, the Toxic Substances Control Act, the Federal Hazardous Substance Act and the Fair Labor Standards Act (provided that where necessary to make the context of any law, rule or regulation applicable to the Purchase Order the term "Contractor" shall mean the Seller and the term "Contract" shall mean the Purchase Order) and Seller shall provide Omni with written certification of compliance upon request. Seller shall be liable for all consequential and incidental damages arising out of any breach by Seller of the foregoing warranties.

**8. Inspection.** Omni may inspect and/or expedite the production of the Products at Seller's or its supplier's facilities at any reasonable times. All Products are subject to final inspection and acceptance by Omni at the specified destination, notwithstanding any prior payment or inspection at source. Acceptance of any Products shall not be deemed to affect the obligations of Seller or the rights of Omni under the "Warranties" or "Indemnification" clauses of this Purchase Order.

**9. Use of Information.** All specifications, drawings, samples, designs and other data or information furnished by Omni to Seller shall remain Omni's property. Seller shall return all originals and copies of any documents to Omni upon request. Unless the documents and information were previously known to Seller without any obligation to keep the information confidential, or have been or subsequently made public by Omni or a third party other than by a breach of a confidentiality obligation, Seller shall keep the documents and information confidential and shall use them only as required to fill this Purchase Order. Data furnished by Seller to Omni shall not be considered by Omni to be confidential or proprietary.

**10. Material Furnished.** Unless Seller fully compensates Omni for any materials supplied by Omni, title to those materials shall remain in Omni. Seller agrees to account for all such materials or pay Omni for all costs to replace such materials.

**11. Indemnification.** Seller shall indemnify, defend and hold harmless, Omni, its officers, employees and representatives, from and against any and all damages and claims whatsoever, whether involving injury or damage to person or property, and any and all suits, causes of action and proceedings allegedly arising from or attributable to (a) the Products or their use, (b) Seller's failure to comply with any law, rule or regulation, or (c) any breach or default by Seller under this document and the Purchase Order. This indemnity shall survive the termination or cancellation of the Purchase Order.

**12. Intellectual Property Indemnification.** Seller warrants that the Products and their use do not infringe on any patent, trademark, copyright or other intellectual property right either in the U.S.A. or in foreign countries. Upon notice from Omni, Seller shall promptly defend any suit, action or proceeding brought against Omni, its customers and users of its products, for alleged infringement of third party intellectual property rights. Seller shall indemnify and hold Omni, its customers and users of its products, harmless against any liability, damage, loss cost or expense (including court costs and reasonable attorneys' fees) resulting from any such suit, action or proceeding, including any settlement. Omni may, at its option, be represented by, and actively participate through its own counsel in any such suit, action or proceeding, and the costs of such representation shall be paid by Seller.

**13. Insurance.** Seller shall secure and maintain Comprehensive General Liability Insurance including products and complete operations and broad form vendors interest coverage to protect Omni against liability. For work done on Omni's premises, Seller shall furnish Omni prior to commencement of work certificates of insurance showing that Seller has Worker's Compensation, Employer's Liability and Comprehensive General Liability (including automobiles) coverages in the minimum amounts and form as may be specified by Omni, which coverages shall not be allowed to change or expire until the services or work have been completed and accepted.

**13. Notices.** Any notice required or contemplated by this Purchase Order shall be in writing and shall be delivered personally, by telefax, by confirmed e-mail or sent by prepaid registered mail. Notice by telefax or e-mail shall be deemed to have been received when transmitted and any notice sent by registered mail shall be deemed to have been received on the second day following the date mailed.

**14. Miscellaneous.** Seller may not assign the Purchase Order without Omni's prior written consent. Invalidity of any provision of the Purchase Order shall not affect the validity of any other provision and any invalid provision shall be severed from the valid provisions. No failure by Omni to exercise any right accruing to it by virtue of the parties' relationship or under any contract entered into with Seller shall operate as a waiver thereof or preclude the exercise of any other right or privilege by Omni. There are no other terms and conditions applicable to the purchase and sale of the Products other than those contained in this document and the Purchase Order (including any specifications or other documents incorporated by reference in the Purchase Order). No modification, amendment, waiver or other change of any provision of Omni's terms shall be binding on Omni without Omni's written consent.

**15. Governing Law; Venue.** This document and the Purchase Order and the parties' relationship shall be governed by Ohio law as if the relationship arose in and was to be performed entirely within Ohio. The exclusive venue and jurisdiction for the resolution of all disputes between the parties shall be the state or federal courts located in Cuyahoga County, Ohio. Any action for a breach of contract or other claim arising out of the parties' business relationship must be commenced within one year after the cause of action has accrued.