

SF TUBE INCORPORATED
STANDARD PURCHASE ORDER TERMS AND CONDITIONS

1. GENERAL:

This Purchase order ("Order") is placed subject only to the Terms and Conditions included in this Order and any reference herein to any proposal from Vendor is solely for the purpose of specifying basic information concerning price, the description of the item(s), quantities and terms of payment and delivery and then only as such terms are consistent with the terms herein.

By acknowledging receipt of this Order or by performing work or services or by shipping goods; Vendor agrees to the terms and Conditions as set forth in the Order. Any different or additional items in Vendor's acceptance of the Order are hereby objected to and will be considered as proposals for addition to this Order and will not be binding unless agreed in writing by SF Tube. Commencement or performance by the Vendor in the absence of SF Tube's agreement to such proposals will constitute the Vendor's acceptance of the Terms and Conditions set forth herein.

2. QUANTITY ACCEPTABLE ON THIS ORDER:

SF Tube will accept only the quantity of goods shown in the "Quantity" column of this order unless otherwise specified on the face hereof.

3 CHANGES and TERMINATION:

SF Tube may at any time, by a written revised Purchase Order, make changes in the general scope and terms of the Order. If any such changes cause an increase or decrease in the cost of, or the time required for performance of any part of the work under this Order or affects any other provisions of this Order, an equitable adjustment shall be made in the Order price or delivery schedule, or both, and in such other provisions of the Order as may be affected. Any claim by Vendor for adjustment under this clause must be asserted in writing within ten (10) business days of the Vendor's receipt of the Change Order. Where the cost of any property made obsolete or surplus as a result of a change is included in Vendor's claim for adjustment SF Tube shall have the right to prescribe the manner of disposition of such property. Nothing herein shall excuse Vendor from proceeding with this Order as changed. This order shall not be deemed or construed to be modified, amended, rescinded, cancelled, or waived in whole or in part, except by written Change Order.

4. PURCHASE ORDER NUMBER:

SF Tube's Order number must appear on all invoices, packing list and bills of lading and shall appear on each package, container or envelop or each shipment made pursuant to this Order.

5 INVOICE / CASH DISCOUNTS:

Invoices shall be billed in United States dollars and shall be submitted in duplicate and shall contain the following information: purchase order number, item number, description of items, sizes, quantities, unit prices, and extended totals in addition to any other information specified elsewhere herein. Payment of invoices shall not constitute acceptance of supplies and shall be subject to adjustment for errors, shortages, defects in the supplies or other failure of Vendor to meet the requirements of the Order. Payment of invoices shall be made by SF Tube (i) with a 2% discount if payment is made within ten (10) days of the Time specified in (a), (b), or (c) below, or (ii) net sixty (60) days of the Time specified in (a), (b), or (c) below. SF Tube may deduct from Vendor's invoices any monies owed to SF Tube by Vendor.

Time in connection with above payment terms will be computed from the later of:

- (a) the scheduled delivery date
- (b) the date of actual delivery, or
- (c) the date a valid invoice is received.

Payment is deemed to be made for the purpose of earning the discount on the date of mailing of SF Tube's check.

6. PACKAGING AND SHIPMENT:

- (a) All articles are to be packaged in accordance with sound commercial practices to obtain the lowest transportation rates unless otherwise specified in this Order and shall comply with the requirements of common carrier.
- (b) Shipments will be valued as to obtain the lowest transportation rates. Transportation insurance for loss or damage will not be

purchased unless specifically directed. Excess transportation cost resulting from failure to comply with the provisions of this paragraph will be debited to the Vendor's account.

- (c) Packages should be constructed for handling with a mechanical device.
- (d) A complete package for specifying SF Tube's applicable Order number and quantity of goods shipped shall be enclosed hereunder.
- (e) Vendor shall mark each container with necessary lifting, loading and shipping information, including the SF Tube Order number and name and address of consignor and consignee
- (f) Vendor shall bear the expense of any premium transportation charges unless otherwise agreed.
- (g) Prepaid transportation charges appearing on Vendor's invoice must be supported by freight bill or equivalent.

7. DELIVERY:

Time and delivery are the essence of this Order. Deliveries are to be made both in quantities and at times specified herein. If Vendor's deliveries shall fail to meet schedule, SF Tube, without limiting its other rights or remedies, may direct expedited routing and any excess cost incurred thereby shall be debited to Vendor's account. SF Tube may in accordance with section 11 hereof cancel all or part of this Order in the event Vendor fails to deliver goods as scheduled herein. With regard to any goods delivered in advanced of schedule SF Tube may place the goods in storage and withhold payment therefore until scheduled delivery date.

8. INSPECTION:

All supplies (including raw materials components, subassemblies and products) may be inspected and tested by SF Tube at all reasonable times and places before, during or after manufacture. If any supplies are defective in materials workmanship or are otherwise not in conformity with the requirements of the Order SF Tube shall have the right, whether or not payment has been made by SF Tube, to reject them or require that such supplies be corrected or replaced promptly with satisfactory materials or workmanship. The rejected supplies may, at SF Tube's discretion be returned to Vendor at Vendor's expense. In no event shall SF Tube be liable for any reduction in value of samples used in connection with any inspection or test. If any inspection or test is made on the premises of Vendor, Vendor shall, without additional charge provide reasonable facilities and assistance for the safety and convenience of inspectors in such manner as not unduly to delay the work. Vendor further agrees to maintain adequate authenticated inspection and cost documents that relate to work performed under this Order. Such records shall be retained by Vendor after completion of the Order or as otherwise specified by SF Tube and made available to SF Tube upon request. Vendor agrees to supply SF Tube with inspection and cost reports, affidavits, certifications or any other documents as may be reasonably requested.

9. CONFIDENTIAL and PROPRIETARY INFORMATION:

As used herein, "Confidential and Proprietary Information" shall include any information that is clearly identified in writing at time of disclosure as confidential or proprietary as well as any information that, based on the circumstances under which it was disclosed, a reasonable person would believe to be confidential or proprietary. Confidential and Proprietary information includes any and all technical or business information, including drawings, specifications or data to the benefit of itself or any other party third party information, furnished or disclosed, in whatever form or medium (regardless of whether tangible, intangible, visual or oral), by SF Tube to the Vendor, or which the Vendor may have access to, including but not limited to information regarding patent applications, trade secrets, work of authorship, software programs, software source documents, software architecture, algorithms, formulae, ideas, techniques, know-how, process, inventions, apparatuses, equipment, models, information related to current, future and proposed products and services, research, experimental work, development, design details, specifications and engineering information, financial information, procurement, purchasing and manufacturing requirements, customer list, investors, employees, business and contractual relationships, business forecasts, sales and merchandising information, marketing plans, and information regarding third parties.

10. INDEMNIFICATION:

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Vendor expressly agrees to hold SF Tube harmless and indemnify, defend, pay, and reimburse SF Tube for all liability claims, damage, attorneys fees, or loss to persons or property, including property of SF Tube, arising or in any way caused by, pertaining to, or resulting from the performance of work covered by this Purchase Order, unless the same be caused by the sole negligence or willful misconduct of SF Tube.

11. INSURANCE:

Vendor shall maintain comprehensive general liability insurance coverage including but not limited to products liability and completed operations with limit of \$1,000,000.00 combined single limit for bodily injury and property damage, naming SF Tube Inc as additional insured with 30 day notice in the event of cancellation.

12. COMPLIANCE WITH APPLICABLE LAWS:

Vendor agrees to comply with all applicable laws, statutes, rules, regulations, or orders of the United States Government or any state of political subdivision thereof and same shall be deemed incorporated therein by reference without limiting the generability of the foregoing.

13. GOVERNING LAW:

The terms of this Purchase Order shall be construed, implemented and enforced in accordance with the laws of the state of California.

14. FORUM SELECTION:

Any and all claims, actions or proceedings which may arise out of or a result of the Purchase Order and Acceptance shall be litigated or prosecuted exclusively in Alameda County, California.

15. ATTORNEY'S FEES:

In any action or proceeding between SF Tube and Vendor arising out of or as a result of this Purchase Order, the prevailing party shall be entitled to reasonable attorney's fees and cost.