

NATIONAL POWER PURCHASE ORDER TERMS AND CONDITIONS

This agreement is made by and between National Power Corp. ("Buyer") and the seller identified on the face of this purchase order ("Seller"). The parties agree as follows:

1. Acceptance. This order may be accepted by signing the front page hereof or partial performance. Acceptance is limited to the terms and conditions of this order. This order, along with any attachments, constitutes the entire agreement of the parties. No waiver, modification or additions to the terms of this order shall be valid unless in writing and signed by the parties.

2. Prices and Payment. Buyer shall not be billed at prices higher than those stated on the purchase order. Unless otherwise specified, the price includes all charges for packing, hauling, storage and transportation to point of delivery. Seller will pay all delivery charges in excess of any delivery charge Buyer has agreed to pay. The price stated includes all taxes except state or local sales or use tax or similar taxes, which Seller is required by law to collect from Buyer. Such taxes, if any, shall be separately stated in Seller's invoice and paid by Buyer unless an exemption is available. Invoices will be paid Net 30 Days after receipt of proper invoice and Buyer's acceptance of delivered items. Before payment, Buyer may make any adjustments to Seller's invoices to account for shortages, late delivery, rejections, or any other failure of Seller to comply with the requirements of this agreement. Buyer may offset any amount owed to Buyer by Seller against any payment due hereunder. All correspondence and invoices covering this order must be addressed to Buyer's Purchasing Department at the address indicated on the purchase order.

3. Delivery. Time is of the essence in the performance of this order. The date specified for delivery is the required delivery date at the location specified in the order (FOB Destination). Substitutions will not be accepted. Seller shall not ship excess quantities without Buyer's prior approval. Except as otherwise provided herein, Buyer shall not be obligated to accept untimely, excess or under shipments and such shipments in whole or in part may, at Buyer's option, be returned to Seller, or held for disposition at Seller's expense and risk. Seller's invoice shall describe the items, state the purchase order number and be attached to the original bill of lading or other shipping receipt.

4. Changes. Buyer may make changes in drawings, specifications, quantities, delivery schedules, or methods of shipment or packaging on any goods at any time. If such changes result in an increase or decrease in cost, an equitable adjustment of price and delivery schedules may be made, or Buyer may, at its option, terminate the order if agreement if an adjustment cannot be reached. Claims for adjustment must be asserted by Seller within ten (10) days of the change order.

5. Warranties. Seller warrants that the items and services covered hereunder will conform to applicable specifications, instructions, drawings and data, and will be merchantable, of good material and workmanship, free from defects and will be fit and sufficient for the purpose intended. These warranties shall be in addition to all other warranties, express, implied or statutory. Remedies under this warranty shall include, without limitation, at Buyer's option and at Seller's sole expense, prompt repair, replacement, re-performance, or reimbursement of the purchase price. The foregoing warranties shall survive any delivery, inspection, acceptance or payment by Buyer.

6. Inspection and Tests. All goods ordered hereunder will be subject to inspection and testing by Buyer to the extent practicable at all times and places, including the period of manufacture and in any event prior to acceptance. Seller agrees to permit access to Seller's facilities at all reasonable times for inspection of goods by Buyer's agents or employees and will provide all tools, facilities and

assistance reasonably necessary for such inspection at no additional cost to Buyer. Such goods will be subject to final inspection and acceptance by Buyer after delivery to Buyer. It is expressly agreed that inspections and/or payments prior to delivery will not constitute final acceptance. If the goods delivered do not meet the specifications, or otherwise do not conform to the requirements of this order, Buyer shall have the right to reject such goods. Goods which have been delivered and rejected in whole or in part may, at Buyer's option, be returned to Seller or held for disposition at Seller's risk and expense. Buyer will have the right, but not the obligation to examine Seller's records for the purpose of determining compliance with this order. Should a compliance review be performed, Buyer or its duly designated representatives will provide reasonable notice to Seller and the records may be examined only during the normal business hours. Buyer will bear all costs of audit. The right to audit shall expire 24 months after the expiration or termination of this order.

7. Buyer's Property. Buyer shall retain all title to and right of immediate possession of any property, including without limitation, plans, patterns, tools, jigs, dies, equipment or materials, furnished or paid for by the Buyer. No articles made therefrom shall be furnished by Seller to any other party without Buyer's prior written consent. Seller shall keep adequate records of such property, which shall be made available to Buyer upon request, and shall store, protect, preserve, repair and maintain such property in accordance with sound industrial practice, all at Seller's expense. Unless otherwise agreed to by Buyer, Seller shall insure Buyer's interest in such property against all risks of theft, loss or damage (including extended coverage). Copies of certificates of insurance evidencing this coverage will be furnished to Buyer on demand.

In the event that Buyer's property becomes lost or damaged to any extent from any cause while in Seller's possession, Seller agrees to indemnify Buyer or replace such property, at Seller's expense, in accordance with Buyer's request. At the completion of the goods requested by Buyer in this order for which Buyer's property was required, Seller shall request disposition instructions for all such property, or the remainder thereof, whether in its original form or in semi-processed form. Seller agrees to make such property available to Buyer at Buyer's request, in the manner requested by Buyer including preparation, packing and shipping as directed. Expenses for preparation for shipment will be for Seller's account and shipment shall be made F.O.B. Buyer's facility.

8. Drawings and Specification Review. If, during the term of this order, Buyer's representatives review drawings, specifications, or other data developed by Seller in connection with the order and make suggestions or comments or approve such documents and data, such action is only an expression of opinion by Buyer and shall not serve to relieve Seller of any responsibility for the reliability, quality, rate of output, cost, delivery, performance or any other requirements of this order.

9. Confidential Information. Seller agrees to: a) hold in strict confidence all Confidential Information; b) require its employees who have access to Confidential Information to agree to comply with the requirements of this agreement; c) not disclose Confidential Information in any form or medium to any third party except as may be required by law or as necessary to provide products and/or perform services under this agreement; and d) obtain privacy protection provisions substantially equivalent to those contained herein through a written agreement with such third party. "Confidential Information" shall mean all information, written or oral, disclosed, directly or indirectly, through any means of communication, by Buyer or Buyer's customers and received by Seller. Confidential Information is not information that: a) was in the public domain at the time of receipt or came into the public domain

thereafter through no act of Seller in breach of this agreement; b) was in Seller's possession prior to its receipt from Buyer; c) was disclosed or used with the prior written approval of Buyer; d) was developed independently of disclosures made hereunder; or e) was lawfully disclosed on an unrestricted basis to Seller by a third party under no known condition preventing such disclosure. If Seller is required by applicable law, regulation, court order or legal process to disclose any Confidential Information, Seller will provide Buyer with prompt notice of such request or requirement where permitted by law, to enable Buyer time to seek appropriate legal or other relief. If no relief is obtained within a reasonable time period, Seller may, without liability hereunder, disclose that portion of the Confidential Information that is legally required to be disclosed. Seller will use reasonable efforts to ensure that all Confidential Information so disclosed is treated confidentially. Seller will not reproduce the Confidential Information except as necessary to provide products and/or perform services under this agreement. If Seller reproduces all or any part of, or further discloses, any Confidential Information, Seller will not remove or obscure any confidential or proprietary notices or legends, if any, that appear in the originals thereof. Upon request or at the termination or expiration of this agreement, Seller will cease using and, at Buyer's option, return or destroy the Confidential Information in all forms and format and certify to Buyer that all Confidential Information has been returned or destroyed. Seller agrees that the Confidential Information of Buyer and its customers is and will remain the property and asset of Buyer and its customers. Seller shall not obtain, by virtue of this agreement, any rights, title, or interest in any Confidential Information, including, without limitation, any pending or registered patents, copyrights, trademarks, or trade secret information.

10. Use of Information. Seller agrees that all information heretofore or hereafter furnished or disclosed to Buyer by Seller in connection with the placing or filling of this order is furnished or disclosed as a part of the consideration for this order, that such information is not, unless otherwise agreed to by Buyer in writing, to be treated as confidential or proprietary and that Seller shall assert no claims by reason of the use or disclosure of such information by Buyer, its assigns or its customers.

11. Advertisements. Seller shall not in any manner advertise or publish the fact that it has furnished Buyer, or contracted to furnish Buyer, the goods or services herein mentioned without prior written consent of Buyer. Seller shall not disclose any details in connection with this order to any party except as may be otherwise approved.

12. Termination. Buyer may terminate this order in whole or in part by written notice to Seller. Upon receipt of such notice, Seller shall, unless the notice directs otherwise, immediately discontinue all work and the placing of all orders for materials, facilities and supplies in connection with the performance of this order and shall proceed to cancel promptly all existing orders and terminate all subcontracts insofar as such orders or subcontracts are chargeable to this order. Upon the termination of work under this order, full and complete settlement of all claims of Seller with respect to the terminated work shall be made as follows: a) as compensation to Seller for such termination, unless such termination is for the default of Seller, Buyer shall pay Seller the percentage of the total order price corresponding to the proportion of the amount of work completed on the date of termination to the total work to be done, that are not recoverable in the normal course of Seller's business, as Seller's full compensation for the work completed under this order; and b) upon Buyer's payment to Seller in accordance with this paragraph, title to all equipment, materials, work-in-progress, finished products, plans, drawings, specifications, information, special tooling and other things for which Seller has paid shall vest in Buyer. Nothing contained in this paragraph shall be construed to limit or affect any remedies that Buyer may have as a result of default by Seller.

13. Default - Cancellation. Buyer reserves the right, by written notice of default, to cancel this order, without liability to Buyer, in the event of the happening of any of the following: insolvency of Seller, the filing of a voluntary petition in bankruptcy by Seller, the filing of an involuntary petition to have Seller declared bankrupt, the appointment of a Receiver or Trustee for Seller, or the execution by Seller of an assignment for the benefit of creditors. If Seller fails to perform as specified herein or if Seller breaches any of the terms hereof, Buyer reserves the right, without liability, upon giving Seller written notice, to (i) cancel this order in whole or in part, in which case Seller shall be liable to Buyer for all damages, losses and liability incurred by Buyer directly or indirectly resulting from Seller's breach, or (ii) obtain the goods ordered herein from another source, in which case any excess cost resulting therefrom will be chargeable to Seller. The remedies herein provided shall be in addition to any other remedies provided at law or in equity.

14. Force Majeure. Neither party shall be liable for defaults or delays due to unforeseeable causes beyond its control and not due to its fault or negligence. Each party shall notify the other in writing of the cause of such delay within five (5) days after the beginning thereof.

15. Relationship. The Seller is not an employee of Buyer for any purpose whatsoever. Seller agrees that in all matters relating to this agreement it shall be acting as an independent contractor and shall assume and pay all liabilities and perform all obligations imposed with respect to the performance of this agreement. Seller shall have no right, power or authority to create any obligation, expressed or implied, on behalf of Buyer or Buyer's customers and shall have no authority to represent Buyer as an agent.

16. Compliance with Laws/Equal Opportunity. Seller shall, at all times during the term of this agreement, comply with all applicable laws and regulations and Buyer's Prime Contract terms and conditions, and shall refrain from engaging in any illegal, unethical, or deceptive practices. All applicable government flow-down provisions are incorporated by reference and made a part of this agreement. **Buyer and Seller shall abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a), 60-741.5(a) and Appendix A of Subpart A of 29 CFR 471. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.**

17. Counterfeit Parts. For purposes of this clause, Goods are any tangible items delivered under this agreement, including without limitation the lowest level of separately identifiable items, such as parts, articles, components, and assemblies. "Counterfeit Goods" are Goods that are or contain items misrepresented as having been designed, produced, or sold by an authorized manufacturer and seller, including without limitation unauthorized copies, replicas, or substitutes. The term also includes authorized Goods that have reached a design life limit or have been damaged beyond possible repair, but are altered and misrepresented as acceptable. Seller agrees and shall ensure that Counterfeit Goods are not delivered to Buyer. Goods delivered to Buyer or incorporated into other Goods and delivered to Buyer shall be new and shall be procured directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. Work shall not be acquired from independent distributors or brokers unless approved in advance in writing by Buyer. When requested by Buyer, Seller shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM. In the event that Work delivered under this Agreement constitutes or includes Counterfeit Goods, Seller

shall, at its expense, promptly replace such Counterfeit Goods with authentic Goods conforming to the requirements of this agreement. Notwithstanding any other provision in this agreement, Seller shall be liable for all costs relating to the removal and replacement of Counterfeit Goods, including without limitation Buyer's costs of removing Counterfeit Goods, of reinserting replacement Goods, and of any testing necessitated by the reinstallation of Goods after Counterfeit Goods have been exchanged. Seller shall include equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Goods to Buyer.

18. Export Control Compliance. Seller shall comply with all applicable U.S. export laws and regulations, including International Traffic in Arms Regulations ("ITAR") and the Export Administration Regulations ("EAR"). The subject technology of this agreement (including data, services, software and hardware provided hereunder, defined as "Controlled Technology") may be controlled under these laws and regulations and may not be exported or re-exported without prior authorization in accordance with ITAR and EAR. Access to Controlled Technology by Foreign Persons as defined by 22CFR120.16 may require an export authorization. Seller shall have full responsibility for obtaining any export licenses or authorization required to fulfill its obligations under this agreement. Seller hereby certifies that all Seller employees who have access to the Controlled Technology are U.S. citizens, have permanent U.S. residency or have been granted political asylum or refugee status in accordance with 8 U.S.C. 1324b(a)(3).

19. Indemnification. Seller agrees to indemnify, defend and hold Buyer, its successors, assigns, customers, and users of its products, harmless from and against any and all claims, losses, liabilities, damages, and costs (including reasonable attorneys' fees), arising out of or resulting from: (i) personal injury (including death) or damage to or destruction of property caused by or resulting from the acts or omissions of Seller in the performance of this agreement; (ii) any defective products or materials provided by Seller under this agreement; and (iii) any breach by Seller of this agreement or any representations or warranties. Seller represents that the items furnished hereunder will not infringe upon any United States or foreign patent, copyright, trademark or trade secret. Seller agrees to indemnify, defend and hold Buyer, its successors, assigns, customers, and users of its products, harmless from and against any and all claims, losses, liabilities, costs (including reasonable attorneys' fees) or damages arising out of or resulting from any actual or alleged infringement. Seller further agrees that upon the request of Buyer, Seller will repurchase such nonconforming items sold hereunder from Buyer at the order price plus all incidental costs associated with packaging, handling and shipment. In no event will Seller's indemnity and hold harmless obligations apply to any claim, loss, liability, damage, or cost caused by the sole negligence or willful misconduct of the party indemnified or held harmless.

20. LIMITATION OF LIABILITY. BUYER WILL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, OR PUNITIVE DAMAGES, OR FOR LOSS OF REVENUE OR PROFIT IN CONNECTION WITH THE PERFORMANCE OR FAILURE TO PERFORM THIS AGREEMENT, REGARDLESS OF WHETHER SUCH LIABILITY ARISES FROM BREACH OF CONTRACT, TORT, OR ANY OTHER LEGAL THEORY.

21. Insurance. (a) To the extent Seller is performing services under this agreement, Seller agrees to purchase and maintain at its own expense the following minimum insurance coverage during the term of this agreement and for three (3) years after the expiration or termination of this agreement for any reason: (i) Commercial General Liability coverage, including products and contractual liability, with an insurance carrier rated A or better by A.M. Best, with limits equal to or exceeding: \$1,000,000 Each Occurrence, \$2,000,000 General Aggregate, \$2,000,000 Products & Completed Operations Aggregate,

and \$1,000,000 Personal Injury & Advertising Liability; (ii) Professional Liability Insurance (Errors & Omissions) with policy limits of no less than \$1,000,000 each claim if Seller is performing any professional services; (iii) Automobile Liability Insurance for any and all vehicles to be used at any jobsite or used to transport personnel and goods to and from jobsites under this agreement with no less than \$1,000,000 Combined Single Limit; (iv) Workers Compensation and Employer's Liability Insurance equal to or exceeding state statutory limits; and (v) All-Risk Property Insurance in an amount adequate to replace property, including supplies covered by this agreement, of Buyer and Buyer's customer which may be in the possession or control of Seller, with Buyer named as a Loss Payee with respect to loss or damage to property and supplies furnished by Buyer. (b) To the extent Seller is providing goods under this agreement, Seller agrees to purchase and maintain at its own expense the following minimum insurance coverage during the term of this agreement: (i) Commercial General Liability coverage, including products and contractual liability, with an insurance carrier rated A or better by A.M. Best, with limits equal to or exceeding: \$1,000,000 Each Occurrence, \$2,000,000 General Aggregate, and \$2,000,000 Products & Completed Operations Aggregate, and \$1,000,000 Personal Injury & Advertising Liability; and (ii) All-Risk Property Insurance in an amount adequate to replace property, including supplies covered by this agreement, of Buyer and Buyer's customer which may be in the possession or control of Seller, with Buyer named as a Loss Payee with respect to loss or damage to property and supplies furnished by Buyer. (c) Buyer is to be named as an Additional Insured on Seller's liability policies (except for Professional Liability) provided by forms CG2010 and CG2037 stating the additional insured status or the carrier's equivalent forms. All policies shall be primary and non-contributory. All policies shall contain a Waiver of Subrogation in favor of Buyer. Seller agrees to provide a thirty (30) day written notice of cancellation, non-renewal, or material change in coverage to Buyer and the certificate of insurance shall state that thirty (30) day notice requirement applies. Seller shall provide to Buyer, prior to commencing work under this agreement, a Certificate of Insurance evidencing the above requirements. Upon request, Seller will provide Buyer with copies of any required endorsements. Seller shall replace certificates, policies, and endorsements for any such insurance expiring before the time allowed by this agreement. The insurance coverage required by this agreement shall not limit Seller's liability and obligations hereunder.

23. Applicable Law and Jurisdiction. This agreement shall be governed by and construed in accordance with the laws of the State of North Carolina without reference to conflict of laws principles. The parties agree that any action related to this agreement shall be brought only in the Federal District Court for the Eastern District of North Carolina or the Superior Court for the State of North Carolina, Wake County, and the parties hereby irrevocably commit to the jurisdiction of these courts.

24. Attorneys' Fees. In the event that any lawsuit is filed in relation to this agreement, the non-prevailing party in the action shall pay to the prevailing party, in addition to all the sums that either party may be called on to pay, a reasonable sum for the prevailing party's attorney fees.

25. Miscellaneous. The failure of Buyer to insist upon strict performance of any of the terms and conditions in this agreement or to exercise any rights or remedies, shall not be construed as a waiver of its rights to assert any of same or to rely on any such terms or conditions at any time thereafter. Any rights and remedies specified under this agreement shall be cumulative, non-exclusive and in addition to any other rights and remedies available at law or equity. The invalidity in whole or in part of any term or condition of this agreement shall not affect the validity of other parts thereof. Neither this agreement nor any rights or obligations herein may be assigned by Seller nor may Seller subcontract the performance of any of its duties hereunder without Buyer's prior written consent.