

PRIDE GENERAL TERMS AND CONDITIONS

1. Definitions. The word "Buyer," whenever used herein, shall mean Pride Sports, a division of Pride Manufacturing Company, LLC. The party with which this Purchase Order is placed is referred to herein as "Seller." Buyer and Seller shall sometimes be referred to herein individually as a "Party" and collectively as the "Parties." The goods (including, without limitation, tangible and intangible deliverables and works of authorship such as software), labor and/or services covered by this Purchase Order are referred to herein as the "Products," which term includes both goods and services unless the context clearly requires otherwise, and, as to goods, includes all parts, portions, materials, prototypes, tangible deliverables, items, attachments, repairs, replacements and substitutions thereof. The terms "Purchase Order," "herein", "hereto", "hereby", "hereof", and "hereunder" refer to and include the face of this document, these General Terms and Conditions and any other document(s) specifically made a part of this Purchase Order by Buyer. "Buyer's Plant" means the plant of Buyer, the address of which appears on the face hereof. "Interest" means interest on the principal amount owed and accruing from demand through the date of repayment at an annual rate equal to the prime rate of interest as published from time to time in the Midwest edition of The Wall Street Journal (or successor publication) plus one percent (1%). "Person" means any natural person, corporation, partnership, governmental authority or other legal entity. "Third Party" means any Person other than Buyer or Seller. "Seller Document" means any bill of lading, quotation, acknowledgment, invoice or other document issued by Seller.

2. Entire Agreement. This Purchase Order (including, without limitation, these General Terms and Conditions) constitutes the entire agreement between the Parties respecting the Products, and no modification of this Purchase Order shall be effective unless in writing and signed by an authorized representative of each of the Parties. Any agreements, correspondence, discussions, negotiations or understandings of the Parties prior to the date of this Purchase Order, whether written or oral, are merged herein and superseded hereby, it being the intention of the Parties that this Purchase Order shall serve as the complete and exclusive statement of the terms of their agreement together. Reference in this Purchase Order to any Seller Document does not imply acceptance of any terms and conditions therein which, if in addition to or inconsistent with the terms and conditions contained herein, shall not be part of the agreement between the Parties.

3. No Modification; Acceptance. Any Seller Document which contains terms additional to or inconsistent with the terms of this Purchase Order, or a rejection of any term of this Purchase Order, shall be deemed to be a counter offer to Buyer and shall not be binding upon Buyer unless specifically accepted in writing by an authorized representative of Buyer. This clause shall constitute a continuing objection to any such terms not specifically accepted by Buyer. However, commencement of performance by Seller, in the absence of written acceptance of such counter offer by Buyer, shall be deemed to be performance in accordance with the terms of this Purchase Order and an acceptance hereof, notwithstanding prior dealings or usage of trade.

4. Product Fabrication; Shipping Schedules. Seller shall not fabricate any of the Products or procure any of the materials required in their fabrication, and Buyer shall have no obligation as to the same, except to the extent expressly authorized in this is Purchase Order or in written instructions forwarded to Seller by Buyer. Deliveries are to be made in quantities and at the times specified on the face hereof or in written instructions forwarded to Seller by Buyer, but Buyer may from time to time change such quantities and times, or direct temporary suspension of the scheduled deliveries, without any liability whatsoever.

5. Delay in Delivery. If Seller, for any reason, does not comply with Buyer's delivery schedule, of which time is of the essence, Buyer, at its option, may either approve a revised delivery schedule or terminate this Purchase Order without liability to Buyer on account thereof.

6. Payment Not Acceptance. Payment for Products shall not constitute acceptance, and all Products shall be subject to Buyer's inspection and rejection at Buyer's Plant. Neither payment nor acceptance shall constitute acknowledgment of the absence of breach of warranty or limit any of Buyer's rights hereunder.

7. Taxes. Except as may be otherwise provided on the face of this Purchase Order, Seller shall pay, out of the purchase price, all federal, state and local taxes applicable to any provision of the Products.

8. Infringement; Use of Products Licensed. Seller warrants that the Products, and the sale, offer for sale, import, export, use, copying, exhibition, display, execution, lease and/or other disposition thereof by Buyer and its customers do not and will not infringe any patents, copyrights, trademarks, trade secrets or other intellectual property rights, United States or foreign, of any Third Party. Seller warrants that it is aware of the uses to which the Products are to be put, and grants to Buyer and its customers, and each Person to which the Products are provided, a free, worldwide, unrestricted, irrevocable and perpetual license and right under Seller's current and future intellectual property rights to offer to sell, sell, use, have made, repair, reconstruct, copy, exhibit, display, execute, prepare derivative works of, import, export, lease or otherwise dispose of the Products in any manner, and warrants that Seller has full right to grant said license.

9. Warranties; Remedies.

(a) In addition to any other express and implied warranties provided by law or otherwise, Seller warrants that each Product (whether goods or services) shall: (i) be original (in the case of works of authorship) or new and conform to this Purchase Order in all respects; (ii) conform to all specifications, drawings, samples and other descriptions furnished and/or specified by Buyer; (iii) be merchantable and fit for the purpose for which intended; and (iv) be free from all defects in design, workmanship and materials and be of highest quality and workmanship. Seller shall comply with all quality requirements and procedures established by Buyer or its customer, as revised from time to time. Seller's warranty term for Products shall be coterminous with the warranty extended to Buyer's customers by Buyer. Seller's liability for breach of warranties given herein may be determined by Buyer's analysis of a sample of Product against which claims are made that the Product is defective. Seller may participate in such analysis in accordance with Buyer's procedure which is subject to change by Buyer from time to time. At all reasonable times, Buyer and its customer may inspect and/or test the Products to be furnished under this Purchase Order at the locations where the work is being performed. Buyer may conduct one hundred percent (100%) inspection of Products or any lot of Products or, at Buyer's option, Buyer may select and inspect samples thereof, and Buyer shall have the right to reject all or any portion of the Products or lot of Products as any such inspection reveals that any Product is defective or nonconforming.

(b) Seller expressly warrants that title to all of the Products shall be vested in Buyer free and clear of any and all liens, encumbrances and future obligations or restrictions of whatever nature and kind. All warranties of Seller, express and implied, and remedies of Buyer, in this Section 9 or elsewhere, shall survive indefinitely any delivery, inspection, tests, acceptance and payment.

(c) Upon any breach of warranty, in addition to all other remedies hereunder or under applicable law or in equity, Buyer may (i) cancel all or any portion of this Purchase Order, (ii) require Seller to repair or replace any or all Products, at Buyer's option and at Seller's sole expense, either at Buyer's Plant or at any other location designated by Buyer, (iii) return nonconforming Product to Seller and request that Seller investigate the nonconformity and submit an action plan to Buyer to correct the nonconformity in a timely manner, at Seller's expense, (iv) require Seller to pay all transportation and other charges arising from delivery, storage and return of Products, (v) purchase replacement Products from a Third Party and charge the same to Seller, and/or (vi) collect from

Seller all costs and expenses (including reasonable attorneys' fees) incurred by Buyer as a result of Seller's unreasonable denial or enforcement of the warranties provided herein.

(d) Upon the occurrence of a recall or customer satisfaction campaign that is determined to be necessary by Buyer, its customer, an original equipment manufacturer, or a government authority, where one of the potential causes is determined to be attributable to Seller, Seller will be liable to Buyer for all costs and expenses related thereto, including, but not limited to, customer chargebacks to Buyer, costs of inspection, sorting and replacing nonconforming goods, and expenses resulting from production interruptions, to the extent the cause is attributable to Seller. If Buyer's customer debits Buyer's account pending final determination of responsibility, then Buyer may debit Seller's account on the same basis, to the extent the cause is attributable to Seller under this Section 9(d).

10. Default. Seller shall be in default hereunder if (a) Seller does not comply with this Purchase Order in all respects, (b) Seller makes an assignment for the benefit of creditors, or proceedings in bankruptcy or insolvency are instituted by or against Seller, or (c) Seller fails to provide Buyer with adequate assurance of Seller's ability to perform its obligations under this Purchase Order within five (5) days of written notice by Buyer of Buyer's concern that Seller's financial or other condition or progress on this Purchase Order endangers timely performance. Upon any default hereunder, in addition to all other remedies hereunder or under applicable law or in equity, Buyer may cancel all or any part of this Purchase Order without liability except to pay the contract price for Products delivered prior to notice of cancellation, purchase replacement Products from a Third Party and recover from Seller on demand any and all increased costs or other damages relating to such default, plus Interest and any reasonable attorneys' fees incurred by Buyer as a result of said default, costs of suit and other damages.

11. Remedies Cumulative; No Waiver. Buyer's remedies relating hereto shall be cumulative and in addition to any other remedies provided herein or by law or in equity. No delay by Buyer in the enforcement of any provision of this Purchase Order shall constitute a waiver thereof, and no waiver thereof shall constitute a waiver of any other provision.

12. Indemnification. Seller shall indemnify Buyer, its affiliates, its customers and each other Third Party to which Products are provided, and each of their respective shareholders, directors, officers, employees and agents, and hold each of them harmless from and against any and all losses, damages, liabilities, claims, actions, suits, demands, judgments, penalties, fees, costs and expenses (including reasonable attorneys' fees) (collectively, "Losses") resulting from or arising out of: (a) personal injuries or death to any natural person or damage to any property (including, but not limited to, injuries, death or damages to Seller, any of Seller's affiliates or their respective agents, servants, employees and/or property) or any spill, discharge or emission of Product, material, substances or hazardous wastes, which relates, in whole or in part, to: (i) any manufacturing, design or other defect, failure to warn, improper handling, improper operating or installation instructions, failure to identify and report hazardous substances, or other act or omission, whatsoever, of Seller or any of Seller's affiliates or any of their respective employees, agents, or subcontractors with respect to any of the Products, or (ii) the performance by Seller or any of Seller's affiliates or any of their respective employees, agents, or subcontractors of any services, whether on property of Buyer, Seller or any Third Party; (b) any breach of any warranty made by Seller or any of Seller's affiliates with respect to the Products (including, without limitation, in Section 9 above) or any claim of a Third Party relating to the quality of any Products; (c) any breach of this Purchase Order or any other agreement between Buyer and Seller; (d) any recall campaign in which Buyer or any customer of Buyer or any Third Party participates in connection with any of the Products; and/or (e) any patent, copyright, trademark, trade secret or other intellectual property infringement claim against any Products, even if they are made to Buyer's specifications or other requests.

To the maximum extent permitted by applicable law, Seller's indemnification shall be applicable even as to Losses caused in whole or in part by an indemnitee's negligence, but shall not apply to the extent that Losses are found to have resulted solely and directly from the willful misconduct of such indemnitee in a final, non-appealable judgment.

In furtherance and not in limitation of the foregoing, Seller agrees that it will pay Interest to Buyer, on demand, on all indemnification amounts owed, and Buyer may at its option participate in the defense of any Third Party claim with its own counsel, at Seller's expense.

13. Change or Cancellation for the Convenience of Buyer. Buyer reserves the right, for any reason, to cancel any undelivered portion of this Purchase Order or make changes in the specifications, amount or type of the Products. Upon such cancellation or change, and subject to the other provisions hereof, Buyer shall pay to Seller only the following amounts, without duplication, in complete and final satisfaction of any liabilities relating to this Purchase Order: (a) any unpaid purchase price for conforming Products received by Buyer prior to cancellation or change and accepted in accordance with this Purchase Order; (b) the reasonable direct out-of-pocket costs incurred by Seller in connection with Products covered by this Purchase Order and not shipped prior to cancellation or change; and (c) an equitable price adjustment for any changes; provided, that Seller shall use commercially reasonable efforts to resell or re-use Products or components not shipped, and the aggregate amount owed by Buyer under this Section 13 shall be reduced by the aggregate amount received by Seller in connection with such resale and/or re-use.

14. Buyer Property. Seller shall not purchase for the account of Buyer or charge to Buyer any tools, jigs, molds, dies, fixtures, patterns or other equipment (collectively, "Tools") used or useable for producing Products pursuant to this Purchase Order, unless such Tools have been listed on Seller's invoice and approved by Buyer in writing. Seller acknowledges that all Tools so approved, all Tools otherwise supplied by Buyer, and all Products returned by Buyer for repair or pending replacement (collectively, "Buyer Property") are and shall be owned by Buyer and used only for the production of Products for Buyer. Seller shall have only temporary possession thereof and shall deliver all or any part thereof to Buyer immediately upon demand or automatically upon any bankruptcy or insolvency filing or other similar event. Seller, at its own expense, shall keep all Buyer Property in working condition and fully insured for the benefit of Buyer, and Seller shall bear the risk of loss and damage of Buyer Property at all times while in Seller's possession, will keep it segregated from all other assets and labeled as being the property of Buyer, shall not move Buyer Property from Seller's premises without Buyer's prior written consent except in case of an emergency in order to protect Buyer Property and with reasonable notice to Buyer after such emergency move, and will promptly sign and file any UCC-1 forms required by Buyer in respect thereof. Seller hereby grants Buyer the option of purchasing, at the lower of book value or current market value, any Tools which are not Buyer Property and have been used exclusively for the manufacture of the Products.

15. Services Performed on Buyer's Property; Insurance. If Seller's work under this Purchase Order involves operations by Seller on the premises of Buyer or the premises of one or more of its customers, Seller and its employees, agents and subcontractors shall abide and agree to be bound by all applicable safety, security and related rules and regulations of Buyer. Rules and regulations for contractors and subcontractors are available for inspection by Seller, its employees, agents and subcontractors upon request, and such rules and regulations are hereby incorporated by reference and made a part of this Purchaser Order. Seller shall take all necessary precautions to prevent the occurrence of any injury to person(s) or property during the progress of such work.

Seller hereby waives all mechanics' liens and claims and agrees that none shall be filed or maintained against Buyer's property on account of any work performed or materials furnished under this Purchase Order and shall cause all of Seller's subcontractors, materialmen and suppliers (and subcontractors of such parties) to provide similar waivers and agreements in form satisfactory to Buyer.

Seller shall be responsible for obtaining and maintaining insurance coverage in amounts not less than the following: (a) Workers' Compensation - Statutory Limits for the state or states in which this Purchase Order is to be performed (or evidence of authority to self-insure); (b) Employer's Liability - \$1,000,000 per accident, \$1,000,000 Bodily Injury by Disease Policy Limit and \$1,000,000 Bodily Injury by Disease Per Employee; (c) General Liability (including General Aggregate, Products/Completed Operations, Broad Form Property Damage, and Blanket Contractual Liability) - \$1,000,000 per occurrence; and (d) Automobile Liability (including owned, non-owned, hired, and leased vehicles) - \$1,000,000 combined single limit for Bodily Injury and Property Damage. At Buyer's request, Seller shall promptly furnish to Buyer certificates of insurance setting forth the amount(s) of coverage, policy number(s) and date(s) of expiration for insurance maintained by Seller, and such certificates shall require the insurer to give Buyer thirty (30) days prior written notice of any termination, reduction in amount or reduction in scope of coverage under any policy. Seller's purchase of appropriate insurance coverage or the furnishing of certificates of insurance shall not release Seller of its obligations or liabilities under this Purchase Order. In the event of Seller's breach of this provision, Buyer shall have the right to cancel the undelivered portion of any Products covered by this Purchase Order and shall not be required to make further payments except for conforming Products delivered or rendered prior to cancellation.

16. Force Majeure. Seller shall not be liable for a reasonable delay or default in furnishing Products hereunder, and Buyer shall not be liable for failure to perform any of its obligations hereunder, to the extent that such delays or defaults on the part of Seller or such failure on the part of Buyer, as the case may be, are due to causes beyond their reasonable control (and not due to labor problems or Seller's negligence or financial difficulties), including, without limitation, acts of God, fire, natural disasters, war, insurrections or acts of terrorism; provided, that either Party has given the other prompt notice of the commencement of the occurrence that caused the failure and shall continue to tender partial performance of the Purchase Order if possible. Notwithstanding the foregoing, in the event any delay in delivery by Seller caused by a force majeure event will, in Buyer's opinion, cause a delay in delivery to Buyer's customers, Buyer shall have the option to terminate all or a portion of this Purchase Order in order to obtain the Products elsewhere, without liability to Buyer on account thereof.

17. Offset. Buyer shall be entitled at any time to offset any amounts owing by Seller to Buyer or to any of Buyer's affiliates against amounts payable by Buyer in connection with this Purchase Order.

18. Buyer's Liability. In no event shall Buyer be liable for any indirect, incidental, consequential, punitive, special or exemplary damages whatsoever (including, without limitation, any damages resulting from lost profits, loss of anticipated savings, loss of revenue, lost data, loss of goodwill, loss of business or business interruption) arising out of or in connection with this Purchase Order or the purchase of any Products, whether based on tort, warranty, contract or any other legal theory and whether or not Buyer has been advised, or is aware, of the possibility of such damages. Buyer's maximum aggregate liability to Buyer under this Purchase Order shall not exceed the sum of the aggregate purchase price for Products accepted by hereunder plus the aggregate amount, if any, owed by Buyer under Section 13, above.

19. Limitation on Assignment. This Purchase Order is issued to Seller in reliance upon Seller's personal performance of the duties imposed, and by accepting same, Seller agrees not to assign this Purchase Order or delegate the performance of its duties hereunder, except for the procurement

of raw materials, without the prior written consent of Buyer. Failure to comply with provisions in this Section 19 shall effect, at the option of Buyer, a cancellation of Buyer's obligations hereunder without liability.

20. Compliance with Laws.

(a) Seller agrees to comply with all applicable federal, state, provincial and local laws, rules, regulations and ordinances in connection with the design, manufacture, sale, delivery and use of the Products, including, without limitation, obtaining or making all approvals and filings, and, upon request, Seller will submit to Buyer evidence of such compliance.

(b) In furtherance and not in limitation of Section 20(a) above:

(i) All invoices must carry the following certification, and Seller agrees to comply therewith as to all Products: "We hereby certify that these Products were produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act, as amended, and of regulations and orders of the United States Department of Labor issued under Section 14 thereof."

(ii) During the performance of this Purchase Order, Seller agrees to comply with all applicable provisions of the Equal Opportunity clause set forth in Title 41 of the Code of Federal Regulations 60-1.4(a); the Listing of Employment Openings clause set forth in Title 41 of the Code of Federal Regulations 50-250.2; and the Employment of the Handicapped clause set forth in Title 41 of the Code of Federal Regulations 60-741.4. This Purchase Order shall be deemed to incorporate by reference all the clauses required by the provisions of said regulations and laws. Further, Seller agrees not to discriminate against any employee or applicant for employment because of race, sex, creed, color, national origin, or handicapped or veteran's status, and Seller certifies that it does not maintain any unlawful segregated facilities.

(iii) To the extent that any of the Products are to be used by Buyer in connection with its manufacturing or assembly operations, including any activities incidental thereto, Seller hereby certifies and represents that said Products comply with all applicable federal, state, provincial and local environmental, safety and hazardous material transportation rules and regulations.

(iv) All wood packaging materials shipped from outside the United States must comply with treatment and marking requirements of IPPC ISPM # 15 and the following statement must be on documentation provided with each shipment: "Any wood packaging material contained in this shipment complies with the treatment and marking requirements of IPPC ISPM #15."

(c) To the extent any of the statutory or regulatory provisions cited above are amended, supplemented or replaced, or additional statutory or regulatory provisions are enacted, Seller's obligations under this Purchase Order shall be automatically amended in an identical manner and the Seller Documents shall contain all legends and other disclosures required by the same.

20A. Product and Chemical Disclosure.

(a) Buyer reserves the right to request 100% disclosure of material and chemical composition as necessary to meet customer and regulatory reporting requirements.

(b) Seller is required to provide product material content reports through the International Material Data System (IMDS) or other means identified by Buyer for all products, parts, components and raw materials sold to Buyer. This reporting includes, but is not limited to, 100% material composition and substances of concern (SoC) as defined by Buyer.

(c) Seller is required to provide Buyer with Material Safety Data Sheets (MSDS) for all supplied hazardous substances or products containing hazardous substances, as defined under 29 CFR 1910.1200 and other applicable regulations.

20B. C-TPAT Requirements. For Seller's goods to be imported in the United States, Seller shall accept, implement and comply with all applications, recommendations or requirements of the United States Customs & Border Protection's Customs-Trade Partnership Against Terrorism (C-TPAT) initiative (for information, see <http://www.cbp.gov>). At Buyer's or the U.S. Customs Service's request, Seller shall certify in writing its acceptance, implementation and compliance with the CTPAT and any accompanying recommendations and guidelines. Seller shall indemnify Buyer and Buyer's affiliates and hold each of them harmless from and against any and all Losses resulting from or arising out of Seller's failure to accept, implement or comply with C-TPAT.

21. Governing Law; Venue. This Purchase Order shall be governed by and construed in accordance with the laws of the State of Tennessee without application of choice of law or conflicts of law principles. Buyer and Seller irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the courts of the State of Tennessee and the United States of America located in Nashville, Tennessee for any actions, suits or proceedings arising out of or relating to this Purchase Order. Each of Buyer and Seller irrevocably and unconditionally waives any right to trial by jury.

22. Severability. If any provisions of this Purchase Order, or portion of any provision, is declared or found to be unenforceable, the balance of this Purchase Order or such provision shall be interpreted and enforced to the greatest extent possible as if the unenforceable provision or portion had never been a part hereof. In particular, if any interest rate provided for herein is higher than that permitted by applicable law, it shall automatically be amended to the highest legal rate.

23. Inventions. Buyer shall own all right, title and interest in and to all intellectual property (including information, designs, development, research, methods, processes, improvements, alternatives and works of authorship), as well as all tangible and intangible deliverables, and all intellectual property rights in and to all of the foregoing, created, conceived, authored or reduced to practice under or in connection with this Purchase Order. All of the foregoing shall be the confidential and proprietary property of Buyer, whether or not patentable, copyrightable or otherwise protectable. Seller shall cooperate (and cause its employees to cooperate) in executing any documents and taking any other actions reasonably necessary to patent, copyright or otherwise perfect or protect for the benefit of Buyer any of the foregoing upon request of Buyer. In the event this assignment fails for any reason (including operation of law), Seller hereby grants Buyer a fully paid-up, irrevocable, perpetual, worldwide, license and right to any and all tangible items, intellectual property and intellectual property rights that are not conveyed by this Purchase Order.

24. Proprietary Information. Any information or knowledge which Buyer may have disclosed or may hereafter disclose to Seller in connection with this Purchase Order regardless of form or notice shall be deemed confidential and proprietary information of Buyer and shall not be used by Seller for any purpose other than performing under this Purchase Order for Buyer's benefit, nor shall it be disclosed by Seller without Buyer's prior written approval. Seller agrees not to assert any claims with respect to the use or disclosure of any technical information (including product and chemical disclosure necessary to meet customer or regulatory reporting requirements) by Buyer (or Buyer's direct or indirect customers) which Seller shall have disclosed or may hereafter disclose to Buyer in connection with the goods or services covered by this Purchase Order.

25. Service and Replacement Parts. If this Purchase Order is for the sale of direct material or component for Buyer's finished product, then the following provisions shall apply: During the term of this Purchase Order, Seller will sell to Buyer Products necessary to fulfill Buyer's service and replacement parts requirements to Buyer's customers at the then current production price(s) under this Purchase Order. If the Products are systems or modules, Seller will sell the components or parts that comprise the system or module at price(s) that will not, in the aggregate, exceed the price of the system or module less assembly costs. If requested by Buyer, Seller will also make service literature and other materials available at no additional charge to support Buyer's service activities.

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