

TERMS & CONDITIONS OF PURCHASE ORDERS

Effective Jan. 1, 2015

1. LIMITED ACCEPTANCE AND CONTROLLING TERMS. These TERMS & CONDITIONS OF PURCHASE ORDER ("Ts&Cs") apply to all Purchase Orders placed by Vortech Engineering, Inc., Vortron Technologies, Inc. and Paxton Automotive Corp. (hereafter "Vortech," "we," or "our") placed with any seller ("Seller," "you" or "your"), whether for standard or custom goods or services. **This Purchase Order expressly limits acceptance to its Ts&Cs, including the description and price of the goods or services requested by Vortech unless changed in a writing signed by the President or CEO of Vortech Engineering, Inc. ("Vortech Authorized Signer").** This Purchase Order constitutes the entire agreement between Vortech and Seller and becomes the binding contract upon these terms and conditions when this Purchase Order is accepted and/or the Seller commences performance under this Purchase Order. **In the event these Ts&Cs are in whole or part inconsistent with the terms in your invoice or other document, these Ts&Cs shall prevail, unless waiver of that inconsistency is specifically agreed to in a writing signed by a Vortech Authorized Signer. Our failure to object to any inconsistent terms in your invoice or other document is not a waiver of any of these Ts&Cs, unless you specifically bring that different term or condition to our attention and a Vortech Authorized Signer specifically agrees to accept that different term or condition.**

2. OUR DESIGN. All drawings, designs, diagrams, sketches, samples, specifications and other materials ("Materials") furnished by us to you and identified as confidential in writing or orally are confidential and proprietary to Vortech. These have been developed at great expense and they contain trade secrets of Vortech. Seller may not reproduce or distribute the Materials without the express written consent of a Vortech Authorized Signer, except to your employees who may use the Materials to perform their duties. All Materials except information as may be established to be in the public domain prior to delivery by us to you is received by you in confidence, and you shall exercise reasonable care to hold such Material in confidence.

3. PRICE. The price for each item covered by this Purchase Order, whether goods or services, shall be the lower price shown for such items on the face of this Purchase Order or the price in effect on the date of delivery for like quantities of like items and to customers in the same class as Vortech.

4. SALES TAX. Unless otherwise noted any items covered by the Purchase Order will become a component part of the product manufactured by Vortech and is bought for resale. No sales tax is applicable.

5. CHANGES. We may at any time by written change order suspend performance of this Purchase Order in whole or in part, make changes in drawings, designs, diagrams, specifications, sketches, method of shipment or packing, or alter the time or place of delivery or for performance of this Purchase Order. You will approve such change order in writing, and if such change order is material, an equitable adjustment shall be reached by agreement of both parties in the contract price, or delivery dates, or both. This Purchase Order shall be modified in writing to incorporate the terms of such written agreement. If no such modification of agreement is reached, then at Vortech's discretion, we may cancel the Purchase Order or confirm the terms of this Purchase Order. Any claim by you for adjustment under this section shall conclusively be deemed to be waived by you unless you assert this right to us in writing (including the amount of the claim or adjustment) and deliver that to Vortech within thirty (30) days from your receipt of our change order. If any items are made obsolete or excess as a result of a change order by Vortech, Vortech shall pay for and prescribe the manner of disposition of such items. Vortech's engineering and technical personnel may from time to time render assistance to Seller concerning the goods or services to be furnished pursuant to this Purchase Order. Such employees are not authorized to change the terms or any other provision of this Purchase Order. No Purchase Order or change order is binding on Vortech or Seller unless issued through Vortech's Purchasing Department.

6. ADDITIONAL QUALITY CLAUSES AND SUBCONTRACTING. In accordance with AS9100, if you are providing any of the following goods or services under this Purchase Order, you must provide us with the Reports and/or Certifications identified below, you agree to the following Special Requirements, and you warrant that your facility is, and will remain, in compliance with the Quality System Minimums below.

Goods or Services	Certifications Required	Special Requirements	Quality System Minimums
Manufacturing, Machining, Partial Machining, or Deburring	All applicable inspection reports, certificates of conformance, and, as applicable materials and processing certifications required by this Purchase Order		AS9003, AS9100 or ISO9001:2008.
Processing Materials	All processing certifications required by this Purchase Order	You will not process any materials for which you are not certified or approved.	AC7004, ISO9001, or AS9100 any rev.
Supplying Materials	All materials certifications required by this Purchase Order	You will not supply any materials for which you are not certified or approved. All raw materials must be USA domestic materials.	AC7004, ISO9001 or AS9100 any rev.
Calibration or Testing Services	All calibration/test reports required by this Purchase Order, which reports will include or be accompanied by actual data	Reports will be traceable to the specific equipment or item for which they are calibrated or tested, under the standards set by NIST or another national or international standard.	ISO9001:2008, ISO 17025, Nadcep testing, ANSI z540, or Navlap accreditation

You shall not subcontract for the procurement of any goods or services covered by this Purchase Order in completed or substantially completed form without first securing the written approval from Vortech's Purchasing Department. You will require that (1) all subcontractors and sub-tier suppliers comply with all applicable requirements in this Purchase Order and its related documents including

specifically all key characteristics and positive FOD controls, and (2) all subcontractors notify you and us in writing of any desire to transferring any procurement to any new facility. We have the right to determine prior to the transfer if such transfer to a new facility is acceptable. You will require that all sub-contractors will be in compliance with all quality related terms and conditions in this Purchase Order and its related documents.

7. DELIVERY. Time is of the essence. The due date on the face hereof is the date the goods must be at Vortech's receiving dock or services must be completed. You agree to notify Vortech immediately if at any time, it appears that the delivery schedule herein may not be met, including the reasons for any possible delays, steps being taken to remedy any problems, and a revised delivery date. If you fail to meet the due date, we have the right, without limiting our other rights or remedies, to direct, expedite and route any and all goods in the most expeditious manner, and we will deduct any excess costs incurred thereby from your invoice. Nothing herein is a waiver by Vortech of any remedies for default (including right of termination) if you fail to meet the delivery schedule specified on the face hereof. If delivery of goods or rendering of services is not completed by the time promised, we reserve the right to terminate this Purchase Order on notice, effective when received by you, and which will terminate the Purchase Order for all goods not yet shipped and/or services not yet completed to a form or level usable by Vortech. Vortech will have the right to purchase substitute goods or services elsewhere, and charge you with any loss incurred. Goods must be at Vortech's receiving dock no later than date identified as the due date. Invoices for goods or services delivered early are due and payable 30 days after due date.

8. TERMINATION. Vortech shall have the right to terminate this Purchase Order for cause, in whole or in part, if you fail to make any delivery in accordance with the designated delivery date or schedule or otherwise fail to observe or comply with any of our instructions, drawings, specifications, descriptions, terms or conditions on this Purchase Order, without causing Vortech to have any liability to you because of that termination. Termination notice will be given in writing, delivered personally, by facsimile, by United States mail, email, or by private tracked delivery or courier service. In the event of termination for cause, we may purchase goods or services elsewhere on such terms and in such manner as Vortech may deem appropriate and you will be liable to Vortech for any excess costs incurred by Vortech.

9. BACKORDERS. We may elect to withhold payment for a partial shipment when the balance of the shipment is placed on backorder by you. After all backordered goods are delivered, the invoices relating to prior shipments are considered to be first presented for payment, and time to pay runs from such presentment.

10. PACKING SLIPS/INSPECTION REPORTS/CERTIFICATES OF CONFORMANCE, AND MATERIALS AND PROCESSING CERTIFICATES. Packing slips must accompany all shipments to us. Our count will be accepted as final and conclusive on all shipments not accompanied by packing slips. Vortech's Purchase Order number, part number, description and count must appear on all invoices, packages, and bills of lading. If you are providing machining services or machines goods, or any certification or reports are required under Section 6 herein, delivery must be accompanied by appropriate inspection reports, certificates of conformance, and applicable material and processing certifications for the services or goods.

11. CESSATION OF PRODUCTION. You shall give Vortech at least 180 days prior written notice if you are going to permanently discontinue production of goods covered by this Purchase Order. You will accept any Purchase Order from Vortech during that time for goods about to be discontinued for a reasonable quantity of such goods.

12. CONSTRUCTION OF CONTRACT, COMPLIANCE WITH LAWS, EXCLUSIVE VENUE AND JURISDICTION IN CALIFORNIA. Vortech and Seller both agree to comply with all applicable federal and state laws and treaties, including the Fair Labor Standard Act, Occupational Safety and Health Act, and Equal Employment Opportunity Act, and Executive Order E13224. You will not engage in any transaction of any type with persons, businesses, or organizations who commit, threaten to commit, or support terrorism. You and we agree that this Purchase Order shall be deemed to be made and executed in California and that it is and shall be subject to construction under the laws of the State of California. Any dispute shall be heard exclusively in the Courts of the State of California, within the County of Ventura.

13. CONFIDENTIAL VENDOR RELATIONSHIP AND DOCUMENT RETENTION. You may not advertise or disclose the fact that you are furnishing goods or services to us without first obtaining the written consent of a Vortech Authorized Signer, nor will you disclose to any third party any information relating to the goods or services being ordered by Vortech. All information herein and relating to the goods and services ordered hereunder shall be held in strict confidence by both parties, and no third party request for information relating hereto will be authorized unless the other party so instructs in writing. All documents relating to this Purchase Order will be retained for ten years unless one party advises the other, in writing, that a specific additional retention period is required by quality workflow procedures.

14. INSPECTION AND TESTING. Documented first article inspection reports shall be submitted to Vortech prior to the beginning of production. You assume all financial responsibility for replacement, rework and materials if production of goods if begun without first article inspection approval from Vortech. Payment for goods delivered hereunder shall not constitute acceptance thereof. We have the right to inspect goods and to reject any or all which are in Vortech's judgment defective or non-conforming. Goods rejected as defective or non-conforming, or supplied in excess of quantities called for herein, may be returned to you at your expense. In addition to Vortech's other rights, we may charge you with all expenses of unpacking, examining, repackaging and reshipping such goods. In the event Vortech receives goods whose defects or nonconformity is not apparent on examination, Vortech reserves the right to require replacement as well as payment of damages. Nothing contained in this Purchase Order shall relieve you in any way from your obligation of testing, inspection and quality control prior to shipment to Vortech. Any and all certificates of compliance and/or test results are to be provided to Vortech in writing as specified in this Purchase Order, and failure to provide such is a material breach by you. You shall permit Vortech, Vortech's customers, and government and regulatory inspectors to have access to your place of business, plant(s) and records at all reasonable hours for the purpose of inspecting any goods or services covered by this Purchase Order or any work in process for production and providing of said goods or services, at no charge to Vortech. All goods are subject to final inspection and approval at destination. You shall not automatically replace goods returned to you as defective unless so directed by Vortech's Purchasing Department in writing. Our inspection or our failure to inspect goods upon receipt does not affect any express or implied warranties.