



AVALON GLASS and MIRROR CO ("AVALON") PURCHASE ORDER GENERAL TERMS AND CONDITIONS

1. Terms and Conditions Govern. All purchases by Avalon Glass & Mirror Co. a California Corporation, and its affiliates or subsidiaries (collectively "Avalon") accepted by any Seller ("Seller") shall be governed exclusively by these Avalon Purchase Order General Terms and Conditions ("these Terms") and shall be incorporated into any purchase order issued by Avalon.

2. Acknowledgement; Acceptance of Order. A Purchase order must be acknowledged by Seller in writing. Avalon shall not be bound by any provision or alteration contained in Seller's acknowledgement or in any other communication, printed or otherwise, which is at variance with the Purchase Order and these Terms, unless accepted in writing by Avalon. Avalon reserves the right to reject, return and/or hold, at Seller's risk and expense, all Goods or any part thereof which do not conform to samples, intended use or specifications, which are delivered in quantities different from those ordered, which colors and sizes are not in accordance with Avalon's requirements as set forth in a Purchase Order or are in any way contrary to these Terms.

3. Rights of Inspection. Unless otherwise agreed, title to the Goods shall be deemed to pass to Avalon upon unloading of the purchased items at an Avalon facility or any other destination described on a Purchase Order, subject to Avalon's right of inspection, approval, and acceptance within a reasonable time after arrival. Rejects may be returned at Seller's expense. Avalon shall not be required to inspect all goods delivered to Avalon by a Seller. If this is necessary, as indicated by Avalon's partial inspections, an entire shipment may be rejected as non-compliant by Avalon. Avalon may charge Seller for the costs of inspecting rejected Goods. Avalon may inspect material or equipment in Seller's plant during production without waiving Avalon's right to subsequent rejection for undiscovered or latent defects. If Avalon receives delivery of Goods whose defects or nonconformity is not apparent on initial examination, Avalon reserves the right to require replacement as well as payment of damages, including labor and additional expenses incurred in the replacement of such non-compliant Goods

4. Warranty. Seller expressly represents and warrants that all Goods and Services furnished in fulfillment of a Purchase Order shall conform to applicable specifications, drawings, part numbers, samples, prototypes, or other rendered descriptions, and that all Goods will fit and be suitable for their intended use, that they are merchantable, of good quality and free from defects, whether patent or latent, in materials, workmanship, design and production. Seller also warrants that, to the extent applicable, all Goods shall comply with provisions of any federal, state, or local law (e.g., local building and safety code laws and regulations) pertinent to the manufacture or intended use thereof including, without limitation, the provisions of OSHA and ASTM Standards.

Payment for, inspection of, or receipt of Goods or Services shall not constitute acceptance of the material or a waiver of any breach of warranty. If a Seller is unable to or refuses to promptly correct or replace such defective or nonconforming Goods or parts thereof, Avalon may repair or replace such work or materials and assess Supplier all of Avalon's costs, including labor, equipment rentals, attorneys' fees associated with enforcing this warranty provision.

5. Remedies. All remedies are reserved to Avalon and such remedies shall be cumulative and shall not limit other remedies not set forth herein but allowed by law or equity. Avalon's failure to notify a Seller of a rejection of nonconforming materials or to specify with particularity any defect in nonconforming materials after rejection or acceptance thereof will not bar Avalon from pursuing any remedies for breach which may otherwise be available to Avalon.

6. Indemnification. Seller agrees to indemnify, defend and hold Avalon free and harmless from and against any and all losses, damages, liabilities, actions, judgments, costs, and expenses (including but not limited to reasonable attorneys' fees and other expenses of litigation and the replacement cost of Goods), suffered, incurred, or asserted by or against Avalon (a) by reason of Seller's breach of warranty, (b) by reason of Seller's breach of any term of this Purchase Order, or (c) by reason of personal injury, including death, or property damage sustained by a third party, resulting from arising out of an act or omission of Seller, or Seller's agents, employees, or contractors in fulfillment of a Purchase Order.

7. Applicable Law and Venue. The jurisdiction and venue for any civil action arising out of a Purchase Order or these Terms shall be solely and exclusively, the state courts in and for the County of Los Angeles, State of California, or the United States District Court for the Central District of California - Western Division, as well as to all appellate courts to which an appeal may be taken from such trial courts. Each of the parties expressly waives, to the fullest extent permitted by applicable law, the right to move to dismiss or transfer any such action brought in such courts based on any objection to personal jurisdiction, venue, or inconvenient forum in any of such courts.

8. Insurance. Upon the request of Avalon, Seller shall provide Avalon with a certificate of insurance reflecting Avalon as an additional named insured and policy limits reasonably acceptable to Avalon.

9. Entire Agreement. The Purchase Order, these Terms and all attachments referred to in the Purchase Order constitutes the entire agreement between the parties regarding the subject matter contained herein, and such agreement supersedes all proposals or prior agreements, oral or written, and all other communications between the parties relating to the subject matter of the Purchase order.