

AHPSEALS TERMS AND CONDITIONS OF SALE

The following terms and conditions ("Terms and Conditions") apply to all sales of Product(s) (hereinafter defined) to you, the buyer ("Buyer"), by American High Performance Seals, Inc. ("Seller"), unless specifically superseded by the terms of a separate written agreement between Buyer and Seller.

1. Applicability; Conflicting Terms. All transactions with respect to the current or future sale of any and all products or other goods (the "Product(s)") by Seller to Buyer shall be subject to, and governed exclusively by, these Terms and Conditions. These Terms and Conditions constitute an offer by Seller to Buyer to sell the Products for the Purchase Price (defined in Section 2 hereof) and pursuant to the other terms set forth herein, and Buyer agrees that acceptance of this offer is expressly conditioned upon and limited to the provisions of these Terms and Conditions. Any additional, different or conflicting provision contained in any document of Buyer relating to the purchase of the Product(s), including, but not limited to, in any purchase order of Buyer, shall not become part of the contract between Buyer and Seller unless expressly accepted in writing by Seller.

2. Purchase Price and Payment Terms. The purchase price (the "Purchase Price") for the Product(s) shall be the total, gross amount that is set forth on Seller's invoice that relates to the Product(s) (the "Invoice"). Payment shall be made by Buyer net 30 days from the date of the Invoice unless agreed otherwise by Seller in writing. Buyer agrees that any balance of the Invoice still owing after the due date can bear interest at a monthly rate of one and one-half (1.5%) percent or the maximum rate allowed by law, whichever is lesser. Buyer hereby grants to Seller a security interest in all Products as security for the prompt and full payment of the Purchase Price and any additional charges Seller is entitled to hereunder. If Seller initiates proceedings to enforce Buyer's obligations hereunder, then Buyer shall pay all costs incurred by Seller in connection with any such proceedings, including the reasonable fees of Seller's legal counsel.

3. Taxes: Unless otherwise indicated on the face of Seller's Invoice, the Purchase Price for the Product(s) is exclusive of excise, sales, use, property, occupational or like taxes which may be imposed by any taxing authority upon the manufacture, sale or delivery of the Product(s). If any such taxes must be paid by Seller or if Seller is liable for the collection of such tax, the amount thereof shall be in addition to the Purchase Price. Buyer agrees to pay all such taxes or to reimburse Seller therefor upon receipt of Seller's Invoice. If Buyer claims exemption from any sales, use or other tax imposed by any taxing authority, Buyer shall provide Seller with Buyer's exemption certificate. Buyer shall defend and save Seller harmless from and against any loss arising from Buyer's failure to pay any such tax.

4. Delivery. All Product(s) are shipped F.O.B. origin. Seller shall have the sole and exclusive right to determine the carrier(s) that will be used to ship the Product(s) (the "Carrier"). Any delivery dates shown are approximate only, and Seller shall have no liability for delays in delivery.

5. Title and Risk of Loss. Seller shall have title to the Product(s) and bear the risk of loss of the Product(s) at all times until the Product(s) are delivered to the Carrier. Title to the Product(s) and risk of loss of the Product(s) shall be in and remain with Buyer from the date and time that the Product(s) are delivered by Seller to the Carrier.

6. Inspection; Rejection of Nonconforming Product(s). Buyer must promptly inspect the Product(s) upon delivery. Buyer may reject Product(s) which fail to conform to the specifications for such Product(s) only by giving Seller notice in writing within five (5) business days after the delivery of the Product(s). The notice must state the basis of the alleged nonconformity of the Product(s) and describe the portion of the Product(s) being rejected. Buyer's failure to provide such written notice of any alleged nonconformity within five (5) business days shall constitute an unqualified acceptance of the Product(s) and a waiver by Buyer of all claims with respect thereto.

7. Exclusive Remedies of Buyer. Seller's liability arising from or in any way connected with the Product(s) shall be limited exclusively to repair or replacement of any non-conforming Product(s) or refund of the Purchase Price paid by Buyer, at Seller's sole option, upon return of the rejected Product(s) by Buyer. **IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES OF ANY KIND OR NATURE WHATSOEVER, INCLUDING, BUT NOT LIMITED TO LOST PROFITS ARISING FROM OR IN ANY WAY CONNECTED WITH THE PRODUCT(S) SOLD HEREUNDER, WHETHER ALLEGED TO ARISE FROM BREACH OF CONTRACT, EXPRESS OR IMPLIED WARRANTY, OR IN TORT, INCLUDING WITHOUT LIMITATION, NEGLIGENCE, FAILURE TO WARN OR STRICT LIABILITY.** No cause of action of Buyer concerning, relating to, or arising from the Product(s) may be commenced later than one year after the cause of action has accrued.

8. Disclaimer of Warranties. EXCEPT AS MAY OTHERWISE BE SPECIFICALLY SET FORTH IN WRITING BY SELLER, SELLER EXTENDS NO WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE PRODUCT(S), INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. ANY TECHNICAL INFORMATION, PRODUCT LITERATURE, SELLER TECHNICAL ASSISTANCE OR OTHER INFORMATION IS GIVEN TO AND ACCEPTED BY BUYER AT ITS OWN RISK AND IS NOT A WARRANTY BY SELLER TO BUYER. BUYER EXPRESSLY ASSUMES ALL RESPONSIBILITY FOR DETERMINING THE FITNESS OF SUCH PRODUCT(S) FOR BUYER'S INTENDED USE.

9. Special Tooling: A tooling charge may be imposed by Seller for any special tooling, including without limitation, dies, molds and patterns, acquired to manufacture Product(s) sold to Buyer by Seller hereunder. Such special tooling shall be and remain Seller's property notwithstanding payment of any charges by Buyer. In no event will Buyer acquire any interest in any apparatus belonging to Seller which is utilized in the manufacture of the Product(s) sold hereunder, even if such apparatus has been specially converted or adapted for such manufacture and notwithstanding any charges paid by Buyer. Unless otherwise agreed in writing, Seller shall have the right to discard or otherwise dispose of any special tooling or other property in its sole discretion at any time after two (2) consecutive years have elapsed without Buyer placing an order for the Product(s) which are manufactured using such property.

10. Indemnification. Buyer agrees to indemnify, defend and hold harmless Seller, its owners, officers, directors, employees, representatives and any affiliate of Seller and the owners, officers, directors, employees and representatives thereof, from and against any and all damages, claims, expenses (including reasonable attorneys' fees), losses or liabilities of any nature whatsoever, and whether involving injury or damage to person or property, and any and all suits, causes of action and proceedings thereon arising or allegedly arising out of, based upon or attributable to the misuse of Product(s) sold hereunder.

11. Excuse of Performance. Seller shall not be held responsible for failure or delay in performance to the extent such failure or delay is caused by war, fire, accident, strike, changes in laws or regulations, shortages or unavailability of materials or transportation, acts of God or other causes beyond Seller's reasonable control. If Seller determines that Seller's ability to deliver the Product(s) or any component thereof is so hindered, limited or made impracticable, Seller may, in its sole discretion, suspend, delay or cancel delivery of all or any portion of the Product(s) or any component thereof without any liability to Buyer.

12. No Waiver. No failure of Seller to exercise any right hereunder shall constitute a waiver of said right, nor shall any waiver of any right hereunder constitute a waiver of any other right, nor shall any such waiver constitute a continuing waiver. No waiver shall be binding unless acknowledged in writing by the party making the waiver.

13. Integration; Amendment. These Terms and Conditions represent the entire agreement between the parties with respect to the matters set forth herein, superseding all prior agreements and understandings, whether written or oral. In no event shall these Terms and Conditions be deemed to be amended, modified or changed in any manner whatsoever (including by reason of trade usage or course of dealing) except and unless such amendment, modification or change is set forth in a subsequent writing signed by both Buyer and Seller.

14. Severance Clause. In case one or more of the provisions contained in these Terms and Conditions shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision and these Terms and Conditions shall be construed as if the invalid, illegal, or unenforceable provision had never been contained in it.

15. Governing Law. These Terms and Conditions shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, notwithstanding any choice of laws doctrines of such jurisdiction or any other jurisdiction which ordinarily would cause the substantive law of another jurisdiction to apply.