

SALE TERMS AND CONDITIONS

The following terms and conditions shall apply to the transaction described in the accompanying acknowledgment between **ACCUDYN PRODUCTS, INC.** or its subsidiaries or affiliates ("Seller") and the entity identified as the Buyer ("Buyer"). Whenever a term defined by the Pennsylvania Uniform Commercial Code ("UCC") is used herein, the definition contained in the UCC shall control.

1. Acceptance. This acknowledgment and acceptance is expressly limited to and made conditional upon Buyer's acceptance of the terms and conditions contained herein and in the quotation, if any, previously furnished to Buyer by Seller. Any of the Buyer's terms and conditions which are in addition to or different from those contained herein which are not separately agreed to in writing (except additional provisions specifying quantity, character of the goods ordered, and in shipping instructions) are hereby objected to and rejected. Objection to any terms and conditions contained herein shall be deemed to have been waived if written notice of such objection is not received by Seller within ten (10) days of the date of this Purchase. Buyer will in any event be deemed to have assented to all terms and conditions contained herein if any part of the goods described herein is accepted.

2. Limited Warranty. All goods sold by Seller are warranted to be free from defects in material and workmanship at the time of tender of the products to the carrier for transportation to Buyer. THIS EXPRESS WARRANTY IS IN LIEU OF AND EXCLUDES ALL OTHER WARRANTIES, WHETHER EXPRESSED, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

No agent or representative of Seller is authorized to change this warranty or to give any other warranty, express or implied, and no such agent or representative is authorized to make any representations concerning Seller's product which are not subject to the qualifications and to the limitations of liability hereinabove expressed and all such warranties and/or representations are hereby waived.

3. Claims-Notice of Defects. In the event any goods to be furnished hereunder are claimed to be defective, the Seller shall be given ample opportunity for inspection, including inspection at Buyer's premises, or upon request shall be furnished with a sample of such goods. Seller shall be liable only to repair or replace defective goods or to allow credit for such item at its option. Defective goods may be returned only upon Seller's written approval, and Buyer shall consult with Seller as to the proper method of identifying and returning defective goods. Any claims must be made within three (3) days of Buyer's discovery of any defective goods or such shorter period as may be commercially reasonable, but in any event within thirty (30) days after receipt of the goods shipped hereunder. Requests for replacement of defective parts or issuance of a credit therefore must be made within thirty (30) days of resolution of any claim.

4. Limitation of Remedies. In the event of Seller's liability, whether based on contract, warranty, tort, negligence, strict liability or otherwise, Buyer's sole and exclusive remedy will be limited to, as permitted by law, at Seller's option, the repair or replacement by Seller of any nonconforming goods for which claim is made by Buyer, in accordance with these

terms and conditions, or to the allowance of a credit for the portion of the purchase price, paid by the Buyer, attributable, to the nonconforming goods. Seller shall not be liable for incidental or consequential or any other losses, damages or expenses, directly, or indirectly arising from the sale, remanufacture, handling or use of the goods or from, any other cause relating thereto. Any action brought relating to the goods must be commenced within one year from the date such cause of action arose.

5. Right to Sell; Risk of Loss. Seller warrants that it has the right to sell the products under this contract and will defend the same against all lawful claims and demands of all persons. The risk of loss due to casualty or destruction shall be borne by Buyer upon Seller's tender of the products to the carrier for transportation to Buyer. Notwithstanding passing of the risk and later delivery, the goods remain the property of Seller until the Buyer pays to Seller the agreed price for the goods (together with any accrued interest) and any other sums whatever is due from the Buyer to Seller. Until title to the goods passes to the Buyer, the Buyer shall hold the goods on a fiduciary basis and shall not part with possession of the goods otherwise than in the ordinary course of business, shall take proper care of the goods and take all reasonable steps to prevent damage to or deterioration of them, shall keep the goods free from any charge, lien or other encumbrance, and shall segregate the goods in such a way as to show clearly that they belong to Seller. Until title to the goods passes to the Buyer, the Buyer shall insure the goods for their full value with a reputable insurer and, upon request, shall use reasonable endeavors to have the Seller's interest noted on the insurance policy. Until the title to the goods passes to the Buyer, the Buyer shall hold the proceeds of any claim on the insurance policy in trust for Seller and shall immediately account to Seller with the proceeds.

6. Variations. Unless otherwise agreed to in writing, a variation of ten (10%) percent in the quantity shipped shall constitute compliance with this order and the unit price shall apply.

7. Patent or Trademark Infringement. If the goods sold hereunder are to be prepared for manufacture according to the Buyer's specification, Buyer shall defend, hold harmless and indemnify Seller against any claims, liability, costs or attorneys fees incurred, in relation to any claim for patent or trademark infringement.

8. Force Majeure. Seller shall not be liable for any delay in delivery or for non-delivery, in whole or in part, caused by the occurrence of any contingency beyond the control either of Seller or of suppliers to the Seller, including but not limited to, failure or delay in transportation, acts of any government or any agency or subdivision thereof, judicial action, labor disputes, fire, accident, or acts of nature, shortage of labor, fuel, raw material or machinery or technical failure. If any contingency occurs, Seller may allocate production and deliveries among Seller's customers. Buyer agrees to accept partial delivery of goods in Seller's possession.

9. Confidentiality. In the event Buyer's personnel visit Seller's plant or Buyer otherwise receives any proprietary or confidential information from Seller, such information shall be retained as confidential by Buyer and not be used or disclosed to any third party without the written consent of Seller. Seller retains all rights in any invention, improvement, discovery or patent it conceives relating to the goods delivered hereunder.

10. Price. Unless otherwise stated, all prices quoted are subject to change at any time, without notice to prices prevailing at time of receipt of Buyer's order. All payments shall be in United States currency. If there is a delay in completion of shipment of said order, due to any change requested by Buyer, or as, a result of any delay on Buyer's part in furnishing information required for completion of the order, the price agreed upon at time of acceptance of order is subject to change. Prices are otherwise as stated on the front of this acknowledgement. Prices are exclusive of all taxes-federal, state or local and freight charges unless otherwise noted, payment of which shall be the exclusive obligation of the Buyer. There will be added to the quoted price any sales or other tax or duty which Seller may be required to collect or pay upon the sale of goods quoted. If any such amounts are not included in invoice of the goods, they may be invoiced separately later.

11. Payment. Payment of invoices shall be made in full within 30 days of invoice. Time shall be of the essence of payment. All payments must be in United States dollars. Seller may suspend the supply of goods to the Buyer where any amounts are overdue under any Contract until all such amounts have been paid. Interest is payable on overdue accounts at the rate of 1.5%, compounded monthly, until paid in full. If either party seeks legal recourse to enforce its rights hereunder, the prevailing party shall be entitled to recover its legal costs, including reasonable attorney's fees. If, in Seller's opinion, the Buyer's creditworthiness deteriorates before delivery of the Goods, Seller may require full or partial payment prior to delivery, or Seller may require the provision of security by the Buyer in a form acceptable to Seller. Notwithstanding any contrary act of the Buyer, all payments made by the Buyer to Seller shall be applied first to any goods which the Buyer has resold and then to goods which remain in the possession or under the control of the Buyer.

12. Delivery. The promised delivery date is the best estimate possible of when the goods will be shipped. Time for delivery is NOT of the essence and shall not be made so by the service of any notice. Seller shall not be liable for any loss, damage, incidental or consequential damage due to delays. Carrying charges may be imposed on Buyer for shipment, which are delayed at the request of Buyer. If the Buyer refuses or fails to take delivery of the goods tendered in accordance with the Contract, Seller may terminate the Contract, may dispose of the goods as it sees fit and may recover from the Buyer any loss and additional costs incurred as a result of such refusal or failure (including, without limitation, storage costs from the due date of delivery). Unless as otherwise agreed to by Seller in writing, the goods may be delivered in installments and each such installment shall be treated as a separate Contract. Unless as otherwise agreed to by the parties, Seller shall deliver the goods in full truckloads, and any partial truckloads may incur additional cost and expense to the Buyer. The Buyer shall pay for the actual quantity delivered.

13. Course of Performance. The fact that Seller may accept or acquiesce in a course of performance shall not affect the terms herein, though Seller knows of the nature of the performance and has an opportunity to object to it. In no event shall any such action constitute or be deemed a waiver of any right, claim or defense against Buyer.

14. Security Interest. Seller hereby reserves a security interest in and to all goods to be shipped to Buyer hereunder, and the proceeds thereof, to secure the payment of the purchase price provided herein.

15. Representation of Solvency. Buyer hereby represents that it is solvent, and that on each delivery this representation shall be deemed renewed unless notice to the contrary is given in writing by the Buyer to the Seller at or before delivery of the goods.

16. Right to Identify Goods. If the Buyer wrongfully rejects or revokes acceptance or fails to make a payment due on or before delivery or repudiates the contract in whole or in part then, notwithstanding any other remedy available to the Seller, the Seller may identify to the contract any conforming finished goods in the Seller's possession or control at the time the Seller learns of the breach, or if the goods at such time are unfinished the Seller may either complete the manufacture and wholly identify the goods to the contract or cease manufacture and resell for scrap or salvage value or proceed in any other reasonable manner, including proceeding against Buyer for any delinquency that may result from such identification or resale for scrap or salvage value.

17. Right to Stop Goods in Transit. If the Buyer becomes insolvent, repudiates, or fails to make payment when due, before delivery to the Buyer, the Seller shall have the right to stop delivery of the goods.

18. Right of Resale. In the event of any breach or repudiation of or under this contract by Buyer or any failure of Buyer to comply with the provisions hereof, Seller may resell any Seller-owned goods covered hereby which have not already been delivered to Buyer, together with any Seller-owned goods reclaimed by Seller or as to which Seller may agree to accept return, at one or more public or private sales, at wholesale or otherwise, and recover from Buyer the amount by which the price established in this contract exceeds the amounts so received, together with all incidental damages occasioned by the default of Buyer.

19. Reorders. Reorders, at Seller's option, may require a new written agreement. Any reorders accepted by Seller but not placed pursuant to a new written contract shall be governed by the terms and conditions stated herein.

20. Termination. Seller may cancel this contract if any of the following occurs: (a) Buyer becomes insolvent; (b) Buyer ceases to conduct operation in the normal course of business; (c) Buyer is unable to meet its obligations as they mature, or admit in writing such inability; (d) Buyer files a voluntary petition in bankruptcy; (e) Buyer suffers the filing of an involuntary petition in bankruptcy and the same is not dismissed within thirty (30) days after filing; (f) A receiver, custodian or trustee is appointed for Buyer or for a substantial part of your property; (g) Buyer fails to make payment on the terms and within the time specified in this contract; or (h) Buyer executes an assignment for the benefit of its creditors. In the event of such cancellation, Seller shall have all rights and remedies set forth herein and as set forth in the UCC of any applicable jurisdiction and all other remedies available at law or in equity.

21. Cancellation. Orders canceled or terminated by the Buyer for reasons not the fault of Seller are subject to cancellation charges in addition to actual costs incurred by Seller.

22. Payments In Advance. If, in the Seller's judgment, the financial condition of the Buyer at any time does not justify continuance of production, or shipment on the terms of

payment originally specified, the Seller may require full or partial payment in advance or other adequate assurance of payment satisfactory to Seller.

23. Licenses and Consents. If a license or consent of any third party (including without limitation, any governmental or other authority) is required in connection with Buyer's purchase or use of the goods, the Buyer shall obtain the license or consent at its own expense and produce evidence of it to Seller on demand. Failure to obtain any license or consent does not entitle Buyer to withhold or delay payment hereunder. Any additional expenses or charges incurred by Seller resulting from such failure shall be paid by the Buyer.

24. Remedies. The rights and remedies reserved to Seller herein shall be cumulative and additional to all other remedies provided by law and equity. Seller shall be entitled to recover costs and attorney fees in the enforcement or defense of any rights hereunder.

25. Assignment. Neither party shall assign its rights or delegate its performance hereunder without the prior written consent of the other, and any attempted assignment or delegation without such consent shall be void.

26. Entire Agreement. This instrument contains the entire agreement of the parties relating to the subject matter hereof and may not be waived, changed, modified, extended or discharged orally but only by agreement in writing and signed by, the party against whom enforcement of any such waiver, change, modification, extension or discharge is sought.

27. Governing Law. This agreement shall be construed, interpreted and the rights of the parties determined in accordance with the laws of the Commonwealth of Pennsylvania, without regard to its principles of conflicts of law. The parties hereby consent to the exclusive personal jurisdiction and venue of the United States District Court for the Western District of Pennsylvania, Erie Division unless subject matter jurisdiction is not satisfied, in which case each party hereby submits to the exclusive personal jurisdiction and venue of the Court of Common Pleas of Erie County, Pennsylvania. Buyer and Seller expressly exclude the application of the United Nations Convention on Contracts for the International Sales of Goods, as amended.

28. Severability. No part of this acknowledgement shall be affected if any other part of it is held invalid or unenforceable.

29. Books and Records. The Buyer shall not be permitted to review or audit Seller's books, corporate records, financial statements, income statements, balance sheets, cash flow statements, payroll data, receipts and any other documentation that is not specifically provided for in these terms and conditions. This prohibition shall extend to Seller's administrative and accounting policies, guidelines, practices and procedures for any reason or no reason whatsoever.

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