

TERMS & CONDITIONS FOR SALES ORDER

CONTRACT ACKNOWLEDGEMENT: This order shall become a contract for the entire quantity specified herein: A. Upon Buyer's returning a signed copy of this contract to Seller, and upon Seller's manifesting its acceptance hereof by signing and returning to Buyer a copy of this contract; or B. Where Seller transmits a signed copy of this contract to Buyer, (1) upon Buyer's returning to Seller a signed copy of this contract, (2) upon Buyer's retaining this contract for ten (10) days without making written objection thereto; (3) upon Buyer's giving instructions to Seller respecting delivery (including instructions to bill and hold); (4) upon Buyer's accepting delivery of all or any part of the goods specified herein; (5) upon Buyer's paying for all or any part of the goods specified herein; or (6) upon Buyer's indicating in any other manner its acceptance of this contract.

ARBITRATION: Any controversy, claim or dispute arising out of or relating to this contract, or the interpretation, construction, or breach thereof, shall be settled by arbitration in the City of New York under the Rules then obtaining of the American Arbitration Association. The parties hereto consent to the jurisdiction of the Supreme Court of the State of New York or the United States District Court for the Southern District of New York for all purposes, including enforcement of the arbitration agreement and proceeding for entry of any judgment on any award, and further consent that any process or notice of motion may be served either personally or by certified mail, return receipt requested, provided a reasonable time for appearance is allowed.

LIMITATION OR RIGHT TO ARBITRATE: Notwithstanding any claims Buyer might otherwise be entitled to assert, Buyer shall be barred from instituting arbitration proceedings of pursuing any remedies at law or otherwise unless Buyer institutes arbitration proceedings within one (1) year after the claimed breach hereof occurred.

WARRANTIES: (a) Seller warrants that goods delivered hereunder shall conform to the description on the face hereof. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ARE HEREBY EXCLUDED. IN PARTICULAR, SELLER MAKES NO WARRANTY RESPECTING THE MERCHANTABILITY OF THE GOODS OR THEIR FITNESS FOR ANY PARTICULAR PURPOSE.

(b) Seller shall not be liable for normal manufacturing defects, for customary variations from specifications, or for any imperfections inherent in the manufacturing processes used.

PRICE AND PAYMENT: (a) Payment shall be made in United States currency bankable at par in New York or at a place of collection designated by Seller. Any check received from Buyer may be applied by Seller against any obligation owing to Buyer to Seller under this or any other contract, regardless of any statement appearing on or referring to such check, without discharging Buyer's liability for any additional amounts owing to Buyer to Seller; and the acceptance by Seller of such check shall not constitute a waiver of Seller's right to pursue the collection of any remaining balance.

(b) In the event that subsequent to the execution (or other manifestation of acceptance) hereof but prior to the delivery of all the goods purchased hereunder, Seller costs of fulfilling the terms hereof are increased, of any duties, or local, state or federal or other government charges upon the production, sale or transportation of the goods are increased, Seller may adjust the purchase price hereunder to reflect fully such increase. If any of such costs duties, taxes, or charges are decreased, Seller may adjust the purchase price hereunder to reflect fully such decrease. Any such adjustment shall be communicated in writing promptly to Buyer.

(c) Any course of dealing between the parties hereto to the contrary notwithstanding, interest on overdue payments hereunder shall be made by Buyer to Seller at an annual rate of not less than One and One-half Percent (1- ½%) over the prime rate then in effect at First National City Bank, New York Branch. The acceptance of such interest on any overdue payment hereunder shall not affect any of Seller's right under the contract.

(d) The time and terms of payment hereunder are of the essence of this contract. Seller may, at its sole discretion at any time and from time to time, change the terms of Buyer's credit, require payment in cash before shipment of any or all of the goods specified herein, and/or require anticipated payment of any or all amounts due or to become due under this contract. If Seller believes that Buyer's ability to make the payments called for by this contract is or may be impaired, or if Buyer fails to make any payment hereunder when due, Seller may, in its sole discretion, cancel this contract or any remaining balance thereof, Buyer remaining liable to pay for any good already shipped. Seller's rights under this Paragraph 5 shall continue notwithstanding any prior failure on the part of Seller to exercise such rights.

ADDITIONAL FREIGHT: Except as otherwise specifically provided herein, Seller shall not be responsible for freight, transportation, insurance, shipping, storage, HANDLING, DEMURRAGE, OR SIMILAR CHARGES. If such charges are by the terms of sale included in the purchase price of the goods sold hereunder, any increase in any of such charges which increase is effective after the date hereof shall be paid by and be the responsibility of Buyer.

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PATENTS: if any goods shall be manufactured or sold by Seller to meet Buyer's specifications or requirements and such goods are not part of Seller's standard line offered by it to the trade generally in the usual course of Seller's business, Buyer agrees to defend, protect and save harmless Seller against any and all suits at law or in equity and from all claims or demands for actual or alleged infringement of any United States or foreign patent and to defend any suits or actions which may be brought against Seller for any alleged infringement arising out of the manufacture or sale of any such goods.

DELIVERIES: (a) Subject to Seller's rights of stoppage in transit, delivery of goods to a carrier with instructions to deliver it to Buyer shall constitute deliver to Buyer, and title and risk of loss shall thereupon pass to Buyer. Where goods are held in accordance with Buyer's instructions, or where no shipping instructions have been supplied by Buyer, the mailing of an invoice shall constitute delivery, and title and risk the loss thereupon pass to Buyer.

(b) Delivery of any installment of goods within thirty (30) days after the date specified therefore shall constitute a timely delivery. Delivery after thirty (30) days shall be deemed timely prior to shipment Seller has received written notice of cancellation. Delay in delivery of one installment shall entitle Buyer to cancel that installment only. In any event, acceptance of any shipment shall constitute A BAR TO A CLAIM OF LATE DELIVERY. Every shipment hereunder is to be considered a separate sale.

(c) Should delivery of all or any part of the goods specified herein be delayed by events beyond Seller's control including that not limited to strikes, natural or man-made disasters, government regulation or Seller's inability to obtain labor, materials or service through its regular sources, Seller's time for performance shall be extended by the period of delay, or Seller may, at its option, cancel this contract without liability. Buyer remains liable to pay for shipments already made.

CLAIMS AND ALLOWANCES: Claims of any kind or nature, except for latent defects, are specifically barred unless made in writing within thirty (30) days after receipt of the goods specified on the face hereof, and in any event, prior to the altering of the goods in any manner whatsoever from the original condition of deliver, whichever is earlier. Claims for latest defects are barred unless in writing and received by Seller within ninety (90) days after date of invoice. The limit of liability of Seller for defective goods shall be the difference in fair market value on contract date of delivery between goods specified and goods actually delivered. The limit of liability of Seller for non-delivery or late delivery shall be the difference, if any, between the contract price and the fair market value on the contract date of delivery of the goods to be delivered provided that such delivery was due to causes within Seller's control and Buyer actually purchases replacement goods. In no event shall Buyer be entitled to any other damages or any incidental or consequential damages for defective goods or late delivery or non-delivery and in no instance shall damages include profit on contemplated use of profit of any kind or description. At Seller's option, it may in full satisfaction of any and all liabilities under this Paragraph 9, accept return of all or part of defective goods and credit Buyer with a reasonable amount in respect thereof.

INFORMATION DISCLOSED TO BUYER: (a) Any knowledge or information which Seller shall have disclosed or may hereafter disclose to Buyer in connection within the purchase of the goods hereunder shall be deemed to be confidential and proprietary information, and shall not be disclosed at any time or for any reason whatsoever by Buyer or its agents or employees to any person, firm, corporation or other entity.

(b) No rights in designs, trade names, trademarks, and patents of goods delivered hereunder shall pass to Buyer and Buyer agrees not to reproduce or simulate or cause or knowingly allow to be reproduced or simulated, either directly or indirectly, such designs, trade names, trademarks and patents.

TERMINATION: If Seller believes that Buyer's ability to make the payments called for by this contract is or may be impaired, or if Buyer fails to make any payment hereunder when due, or if Buyer ceases to conduct its operations in the normal course of business (including its inability to meet its obligations as they mature), or if petition in bankruptcy is filed by or against Buyer, or if Buyer makes an assignment for the benefit of its creditors or otherwise makes application in any form for relief as a debtor or under any statute of the United States or of any State, or if receiver is appointed to take charge of any of the property of Buyer, then Seller may immediately terminate this contract and its obligations hereunder without liability of any kind or nature.

GENERAL: (a) This contract contains the entire agreement between the parties hereto and supersedes any and all prior oral or written agreements or communications between them relating to the subject matter hereof. No oral representation shall be binding.

(b) This contract may not be assigned, modified or cancelled without Seller's prior written consent, and any attempt to assign, modify or cancel this contract without such consent shall be null and void.

(c) Waiver by Seller of the operation of any provision of this contract, or of any breach by Buyer, shall not constitute a continuing waiver, and Seller shall always retain the right to insist upon the operation of all provision hereof and to enforce its rights with respect to any subsequent breach.

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(d) This order and the contract resulting therefrom shall be governed by and construed in accordance with the laws of New York without regard to conflict of laws rules.

(e) If, by reason of any rule of law or public policy, any covenant or other provision of this contract is now or hereafter invalid, unlawful, or incapable of being enforced, all other conditions and provisions of this contract which can be given effect without the invalid, unlawful or enforceable provision shall nevertheless remain in full force and effect.