

STANDARD TERMS AND CONDITIONS OF SALE
FELSTED PRODUCTS LLC and or ORSCHELN PRODUCTS L.L.C. and or QUALICO PRECISION PRODUCTS LLC

1. Purchaser shall be deemed to have accepted this Terms and Conditions of Sale (hereinafter "Conditions of Sale") upon (i) Purchaser's signing and returning to FELSTED PRODUCTS LLC and or Orscheln Products L.L.C. and or Qualico Precision Products LLC (hereinafter "SELLER" or "SUPPLIER"), the acknowledgment copy of this Conditions of Sale or (ii) Purchaser's acceptance of delivery of the goods subject to this Conditions of Sale, whichever occurs first. SELLER's acceptance of Purchaser's order is limited to the express terms contained on the face and on the back hereof. If Purchaser's forms are used for the purpose of placing an order with SELLER, any additional or different terms contained therein or any attempt by Purchaser to vary in any degree any of the terms of these Conditions of Sale shall be deemed material and are hereby objected to and rejected, but these Conditions of Sale shall not operate as a rejection of Purchaser's offer unless such contains variances in the terms of the description, quality, price or delivery schedule of the goods. If this Conditions of Sale shall be deemed to be an offer by SELLER, any acceptance by Purchaser is limited to acceptance of the express terms contained on the face and back hereof. Any proposal for additional or different terms or any attempt by Purchaser to vary in any degree any of the terms of this offer in Purchaser's acceptance is hereby objected to and rejected, but such proposals shall not operate as a rejection of this offer unless such variances are in the terms of the description, quantity, price or delivery schedule of the goods, but shall be deemed a material alteration thereof, and this offer shall be deemed accepted by Purchaser without said additional or different terms.
2. SELLER WARRANTS THAT ITS GOODS SHALL BE FREE FROM DEFECTS OF WORKMANSHIP OR MATERIAL FOR ONE YEAR FROM THE DATE OF MANUFACTURE. EXCEPT AS SET FORTH IN THIS PARAGRAPH 2, SELLER MAKES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR AS TO FITNESS FOR A PARTICULAR PURPOSE. IN ANY CASE, SELLER'S LIABILITY FOR BREACH OF THIS WARRANTY IS LIMITED TO EITHER THE PURCHASE PRICE OF THE GOODS WHICH HAVE FAILED THROUGH DEFECT, OR AT THE SELLER'S OPTION, TO THE REPLACEMENT OF SUCH GOODS UPON ITS RETURN TO THE SELLER. THIS WARRANTY IS EFFECTIVE PROVIDED THAT (1) SELLER IS NOTIFIED WITHIN 14 DAYS OF DISCOVERY OF THE DEFECT; AND (2) THE ORIGINAL PRODUCT IS PROMPTLY RETURNED TO THE SELLER (TRANSPORTATION CHARGES ARE PREPAID); AND (3) SELLER'S EXAMINATION DISCLOSES TO SELLER'S SATISFACTION THAT SUCH DEFECT HAS NOT BEEN CAUSED BY MISUSE, ABUSE OR ACCIDENT AND IS DUE TO A DEFECT IN WORKMANSHIP OR MATERIAL. IN NO EVENT SHALL THE SELLER BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES OR FOR TRANSPORTATION, INSTALLATION, ADJUSTMENT OR OTHER EXPENSES WHICH MAY ARISE IN CONNECTION WITH DEFECTIVE MERCHANDISE. ORAL STATEMENTS CONCERNING THE GOODS COVERED BY THIS CONDITIONS OF SALE OR STATEMENTS CONTAINED IN SELLER'S GENERAL ADVERTISING, PAMPHLETS, CATALOGS OR OTHER PRINTED MATERIAL, DO NOT CONSTITUTE WARRANTIES AND PURCHASER AGREES THAT IT DOES NOT PLACE ITS ORDER IN RELIANCE UPON THEM. ANY SAMPLE MADE AVAILABLE TO PURCHASER IS MERELY TO ILLUSTRATE THE GENERAL TYPE AND QUALITY OF THE GOODS, AND NOT TO REPRESENT OR WARRANT THAT THE GOODS WOULD CONFORM TO SUCH SAMPLE. PRIOR SHIPMENTS TO PURCHASER OF THE TYPE OF GOODS COVERED BY THESE CONDITIONS OF SALE ARE NOT REPRESENTATIVE OF THE QUALITY OF THE GOODS DELIVERED UNDER THESE CONDITIONS OF SALE, AND SELLER MAKES NO REPRESENTATIONS OR WARRANTIES THAT THE GOODS DELIVERED HEREUNDER WILL BE OF THE SAME QUALITY AS GOODS PREVIOUSLY DELIVERED TO PURCHASER. THE WARRANTIES PROVIDED IN THIS PARAGRAPH 2, AND THE OBLIGATIONS AND LIABILITIES OF SELLER HEREUNDER ARE IN LIEU OF, AND PURCHASER HEREBY EXPRESSLY WAIVES, ALL OTHER WARRANTIES, GUARANTEES OR LIABILITIES (INCLUDING WITHOUT LIMITATION, ANY PRODUCT LIABILITY), EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, AND WHETHER OR NOT OCCASIONED BY SELLER'S NEGLIGENCE, AND SHALL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY SELLER AND PURCHASER.
3. PURCHASER'S SOLE AND EXCLUSIVE REMEDY FOR BREACH OF WARRANTY IS THE REPAIR OR REPLACEMENT OF THE DEFECTIVE GOODS OR REFUND OF THE PURCHASE PRICE PAID, AT THE OPTION OF SELLER. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO COST OF "COVER", LOST PROFITS, SAVINGS OR REVENUE, LOSS OF USE OF A PRODUCT OR ANY ASSOCIATED EQUIPMENT, PATENT INFRINGEMENT, COST OF CAPITAL, COST OF ANY SUBSTITUTE GOODS, DOWN-TIME AND ANY OTHER DAMAGES SUFFERED BY PURCHASER IN CONNECTION WITH THE PURCHASE, USE, DISPOSAL OR RESALE OF THE GOODS.
4. The signature of Purchaser on carrier's bill of lading or receipt of shipment, without exceptions, will constitute conclusive proof that shipment received by Purchaser was in good order and in correct quantity and shall be deemed an acceptance of the goods by Purchaser. Further, any certification of the goods by any foreign, federal, state or local governmental authority or agency shall constitute conclusive proof that such goods are sound. Any defects, shortages or damages sustained in transit of merchandise must be noted at time of delivery on carrier's bill of lading, and notice of same by cable, telephone (confirmed in writing) or telex sent IMMEDIATELY to SELLER. Any claim with regard to an apparent defect shall be deemed waived and released by Purchaser unless noted as aforesaid upon delivery of the goods and any claim with respect to a defect which could not have been discovered upon a reasonable inspection at time of delivery shall be deemed waived and released by Purchaser unless presented in writing to SELLER within ten (10) days after delivery. In the event a claim is made by Purchaser, Purchaser shall preserve the goods intact and afford SELLER the opportunity to inspect the goods before they have been further handled, processed or otherwise dealt with, or, at SELLER's request, make shipment to a location selected by SELLER of a sample of the goods for inspection by SELLER. No claim by Purchaser shall entitle Purchaser to withhold payment of any sum due to SELLER under these Conditions of Sale or any other contract, or give Purchaser any right of set-off against other payments due from Purchaser to SELLER. THE SOLE AND EXCLUSIVE REMEDY OF PURCHASER UPON REJECTION OF ANY SHIPMENT OR PART THEREOF SHALL BE, AT SELLER'S OPTION, THE REPLACEMENT OF THE REJECTED GOODS OR A REFUND OF THE PURCHASE PRICE; UNDER NO CIRCUMSTANCES SHALL SELLER BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR BY REASON OF THE USE OF OR INABILITY TO USE THE GOODS PURCHASED FOR ANY PURPOSE.
5. Purchaser agrees to use its best efforts to minimize any damage to goods rightfully rejected or for which there may have been a breach of warranty. In furtherance and not in limitation of the foregoing, Purchaser agrees to follow the reasonable instructions of SELLER with respect to the disposition of the goods, or if no instructions are furnished, to make reasonable efforts to sell the goods for SELLER's account.
6. All prices are based on the current rates of inland and ocean freight and insurance and on existing taxes and duties payable upon the import and/or export of the goods. In the event that (a) any public charge, tax, duty or tariff, or increase therein, is or shall be assessed or imposed on the goods, on any sale or delivery of the goods, or on the export or import of the goods; or (b) any change shall be made in the present custom, railway or shipping classification of the goods; or (c) any change shall be made in existing freight or shipping rates or insurance rates affecting the goods; or (d) there should be a devaluation of the dollar so as to increase the cost to SELLER of importing the goods so sold; or (e) any other increase in the cost of selling or delivering, manufacturing or assembling the goods pursuant to these Conditions of Sale (including price increases in utilities, direct labor, taxes, raw materials or components) shall result from any change occurring after the date of these Conditions of Sale; then, each such assessment, charge, or increase shall be for Purchaser's account and paid for by Purchaser.
7. All amounts due and owing SELLER for the goods shall be subject to such payment terms as are expressly set forth on the face hereof or, in the absence thereof, such amount shall be paid in U.S. Dollars (USD) on the 10th of the month following delivery and no longer than within thirty (30) days from date of invoice. Any amount not timely paid by its stipulated date shall be subject to a service charge for administration and costs, calculated at the rate of the lower of one and one-half percent (1.5%) per month or the highest legal rate of interest.
8. Shipment may be made in separate lots, each standing as a separate contract subject to the terms hereof as if each lot were incorporated in a separate contract containing all such terms. Payment for each lot shall be due upon tender of delivery of each such lot. Purchaser may not refuse tender of delivery of any lot or refuse payment thereof because of SELLER's failure to ship or deliver any other lot or because of non-conformity in any other lot.
9. Unless otherwise specified on the face hereof, SELLER will cause delivery of the goods to a carrier FCA SUPPLIER'S premises or other location selected by SELLER, and all risk of loss, damage or charge shall pass to Purchaser upon delivery to the carrier.

10. Title and property rights in the goods covered hereby in all cases shall remain in SELLER until full payment for such goods is made by Purchaser. Purchaser hereby grants a security interest in said goods and all proceeds therefrom to SELLER as security for full payment, and Purchaser hereby appoints SELLER as its attorney in fact to execute and file any Uniform Commercial Code financing statements and/or such other documents as may be required as evidence of and to perfect the security interest hereby granted. Purchaser agrees that upon the occurrence of a default specified in paragraph 12 hereof, Purchaser shall, at its expense, assemble the goods and make them available to SELLER at a convenient place acceptable to SELLER.

11. SELLER shall not be liable for any failure or delay in shipment or delivery or shortage of shipment due to strike or labor trouble (wherever occurring), war, insurrection, civil commotion, public enemy, fire, explosion, accident, flood, storm, act of God, act of any governmental authority, including, without limitation, governmental inspections, executive or administrative orders or other legal restrictions, riot, embargo, blockade, quarantine, wrecks or delay in transportation, inability of SELLER to obtain the goods for resale to Purchaser, or any other cause beyond the reasonable control of SELLER. In the event of non-delivery or delay in delivery or shortage of shipment, SELLER reserves the right to cancel in whole or in part these Conditions of Sale, or, alternatively, to renegotiate these Conditions of Sale in light of the new circumstances prevailing at the time. SELLER shall notify Purchaser at the address set forth on the face hereof within a commercially reasonable period of time in the event of non-delivery of the goods as a result of the occurrence of any of the events specified in this paragraph.

12. If Purchaser (a) generally does not pay its debts as such debts become due, or admits in writing its inability to pay its debts generally, or makes a general assignment for the benefit of creditors, or any proceeding is instituted by or against Purchaser seeking to adjudicate it bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property, or the credit of Purchaser has otherwise become impaired or unsatisfactory to SELLER; (b) fails to comply with the terms and conditions hereof or with the terms and conditions of any other contract with SELLER; (c) fails to accept a conforming lot delivered hereunder; or (d) fails to make payment for any shipment or lot delivered hereunder or under any other contract with SELLER in accordance with the terms of payment set forth herein or therein; then, SELLER may elect to take any one or more of the following actions: (1) hold the goods and charge Purchaser's account with the contract price plus any expenses incurred by SELLER as a consequence of such default; (2) resell the goods within a commercially reasonable period of time following the default and charge Purchaser's account with the difference between the resale price and the contract price, plus any expenses incurred in connection with the resale or as a consequence of the default; (3) require payment by cash in advance of any delivery of the goods; (4) withhold any undelivered portion of the goods; (5) exercise SELLER's right of reclamation as to goods previously shipped as provided in Section 2-702 of the Uniform Commercial Code; (6) enter Purchaser's premises and retake possession of the goods as provided in Section 9-503 of the Uniform Commercial Code; or (7) terminate these Conditions of Sale. The rights and remedies conferred hereunder on SELLER shall not be exclusive and shall be in addition to all other rights and remedies conferred upon or afforded to SELLER under the Uniform Commercial Code as enacted in the State of Missouri or under any other applicable law, including, but not limited to, the remedies of incidental and consequential damages.

13. Any action resulting from any breach on the part of SELLER arising out of these Conditions of Sale must be commenced within one (1) year after the cause of action has accrued.

14. ANY CLAIM OR CONTROVERSY WHATSOEVER BETWEEN PURCHASER AND SELLER OR ARISING OUT OF OR RELATING TO THESE CONDITIONS OF SALE, OR THE BREACH THEREOF OR OTHERWISE, SHALL BE SETTLED BY FINAL AND BINDING ARBITRATION BY A SINGLE ARBITRATOR IN RANDOLPH COUNTY, MISSOURI, TO BE CONDUCTED IN THE ENGLISH LANGUAGE IN ACCORDANCE WITH THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION, AND JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF AS THE FINAL NON-APPEALABLE JUDGMENT THEREOF. IF ANY INTELLECTUAL PROPERTY CLAIM IS ASSERTED IN THE INITIAL NOTICE OR INITIAL RESPONSE OF ANY PARTY, THE ARBITRATOR SHALL BE A MEMBER IN GOOD STANDING OF THE AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION (AIPLA). THE AWARD SHALL BE MADE WITHIN NINETY (90) DAYS OF THE INITIAL NOTICE OF ARBITRATION. NOTHING HEREIN SHALL PREVENT EITHER PARTY FROM SEEKING TEMPORARY OR PROVISIONAL JUDICIAL RELIEF PENDING THE FINAL ACTIONS OF THE ARBITRATION AND PURCHASER HEREBY EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO THE EXCLUSIVE JURISDICTION OF THE STATE COURTS IN RANDOLPH COUNTY, MISSOURI, FOR SAID PURPOSE AND HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS AND COMPLAINT OR OTHER PROCESS OR PAPERS AND AGREES THAT ANY SERVICE THEREOF MAY BE MADE BY THE REGISTERED OR CERTIFIED MAIL OF ANY APPLICABLE COUNTRY ADDRESSED TO PURCHASER AT THE ADDRESS OF PURCHASER SET FORTH ON THE FACE HEREOF OR ANY OTHER KNOWN LEGAL ADDRESS OF PURCHASER.

15. SELLER makes no warranties with respect to patent infringement or that the use or re-sale of the goods sold hereunder will not infringe the claims of any validly issued patent. Purchaser agrees not to file any patent application which discloses the goods sold hereunder, usage thereof or method for making the goods without the prior written consent of SELLER. Purchaser also hereby grants and agrees to grant to SELLER, its parent, affiliates, subsidiaries, customers and suppliers, a worldwide non-exclusive royalty-free license under any of Purchaser's inventions or discoveries which are related to or based upon the goods including but not limited methods for using the goods.

16. All notices allowed or required under these Conditions of Sale shall be in writing and shall be deemed sufficient if sent by personal delivery, or by registered or certified mail, postage prepaid, or by first class air mail, postage prepaid (for international mail), or by facsimile, telex or telegraph, to the parties at the addresses given on the face hereof or to such other address as either party may notify. Notice shall be deemed given upon actual receipt.

17. These Conditions of Sale constitutes the entire agreement between SELLER and Purchaser. These Conditions of Sale supersedes any and all understandings, representations, proposals or negotiations between the parties, including, without limitation, any brokerage confirmation between the parties, whether oral or written. No oral agreements or representations and no course of dealings between the parties or usage of trade shall be relevant to supplement, explain, contradict or vary in any way, any provision contained herein.

18. No waiver of any provision of or default under these Conditions of Sale shall affect SELLER's rights thereafter to enforce such provision or to exercise any right or remedy in the event of any other default, whether or not similar. No waiver shall in any event be effective unless in writing and signed by SELLER.

19. None of the terms and conditions contained in these Conditions of Sale may be added to, modified, superseded or otherwise altered except by a written instrument signed by SELLER and Purchaser.

20. The rights and obligations of Purchaser hereunder may neither be assigned nor delegated without the prior written consent of SELLER but such obligations shall be binding upon Purchaser and Purchaser's affiliates, successors, assigns, and any of Purchaser's transferees of the goods subject hereto.

21. Wherever possible, each provision of these Conditions of Sale shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of these Conditions of Sale shall be prohibited by or invalid under applicable law, said provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of these Conditions of Sale.

22. This Purchase Order shall be deemed made and executed in Randolph County, Missouri, and shall be governed by and construed in accordance with the laws of the State of Missouri, without regard to its conflict of laws provisions. The parties disclaim the application of the United Nations Convention on the International Sale of Goods.

23. Purchaser agrees to and shall adhere to all applicable United States and foreign export control laws and regulations and will not export or re-export any technical data or products to any proscribed country listed in US Export Administration regulations, or foreign nationals thereof, unless property authorized by the U.S. government.