

KEROTEST MANUFACTURING CORP.

ACKNOWLEDGEMENT TERMS AND CONDITIONS

1. ACCEPTANCE AND CANCELLATION

- A. This acknowledgement shall constitute KEROTEST'S acceptance of your order and the resulting contract supersedes all prior communications, either oral or written. Acceptance of this order by Kerotest is expressly made conditional upon purchaser's acceptance of the terms and conditions set forth herein which shall be deemed a part of such order. No modifications or other conditions will be recognized by Kerotest unless specifically agreed to in writing, and failure of Kerotest to object to provisions contained in any purchase order or other communication from Purchaser shall not be construed as a waiver of these conditions nor an acceptance of such provisions. Kerotest expressly rejects any additional or different terms and conditions offered by Purchaser.
- B. With respect to certain shipments and production for export, acceptance by Kerotest shall be subject to the additional condition that Kerotest receive a confirmed irrevocable letter of credit drawn against inland documents.
- C. Stenographic or clerical errors by Kerotest are subject to correction.
- D. Shipment of Purchaser's order is subject to approval by Kerotest's Credit Department as to the financial responsibility of Purchaser. Shipment and production may be stopped or suspended and terms of payment modified in the case of doubt as to the financial responsibility of Purchaser.
- E. No order accepted by Kerotest may be canceled or altered by Purchaser except upon terms and conditions acceptable to Kerotest.
- F. Kerotest reserves the right on all orders manufactured to Purchaser's specifications to complete the order with a ten percent (10%) over or under run on the actual quantity ordered.

2. PAYMENT

- A. Kerotest shall issue an invoice for the individual products provided on the referenced date of shipment. Terms of payment are net cash thirty (30) days from the date of invoice.
- B. Purchaser shall pay a late payment charge computed at the rate of one and one-half percent (1-1/2%) on the unpaid amount for each calendar month (or fraction thereof) that such payment is in default. Provided, however, that in no event shall such charges exceed the maximum amount permitted by law.
- C. All prices and charges stated are subject to change without notice, provided, however, that they shall remain firm for sixty (60) days from the date of issuance. Such prices are subject to correction for clerical errors.

- D. Cash discounts, if allowed, are indicated on the face of all invoices and acknowledgements.

3. TAXES

Purchaser agrees to pay all taxes, customs, assessments, and other public charges which may be directly or indirectly levied, rated, charged upon or measured by or may arise from the sale, transportation, delivery, use or consumption of the Equipment. Notwithstanding the foregoing, if Kerotest is required to pay any such tax, custom, assessment or charge, then it shall be added to the invoice price and paid by Purchaser.

4. NO BACKUP WITHHOLDING

Kerotest Manufacturing Corp. is a corporation not subject to backup withholding. The Federal Identification Number is 25-1181239.

5. TITLE AND RISK OF LOSS

- A. Title and risk of loss or damage to the Equipment shall vest in Purchaser upon delivery, F.O.B. Kerotest's factory, of the Equipment to Purchaser. Kerotest shall retain a security interest in the Equipment until the entire balance of the Purchase Price and all other monies payable hereunder are paid in full. Such security interest shall attach regardless of the manner in which the Equipment becomes attached to realty or other property. Purchaser will execute, upon request, financing statements of such other documents deemed necessary or desirable by Kerotest to perfect its security interest in the Equipment. Purchaser authorizes Kerotest to file a copy of this security agreement or a financing statement as a financing statement. A financing statement may be filed with Purchaser's signature on the basis of this security agreement where allowed by law.
- B. Special patterns, dies, drawings, tools, fixtures, models, etc. will be held at owner's risk. Kerotest assumes no liability for loss or damages resulting there from.

6. LIMITED WARRANTY

- A. Certain of the equipment delivered by Kerotest hereunder may include equipment or parts manufactured by third parties. Kerotest expressly disclaims any and all representations and warranties with respect to equipment or parts not manufactured by Kerotest or its subcontractors. Kerotest also expressly disclaims any and all representations with respect to equipment or parts which have been assembled, repaired or altered by third parties other than Kerotest.
- B. Kerotest warrants that the equipment manufactured by it or by its subcontractors, shall be free of defects in material and workmanship for a period of one (1) year if new equipment or six (6) months if

KEROTEST MANUFACTURING CORP.

ACKNOWLEDGEMENT TERMS AND CONDITIONS

reconditioned from date of shipment. If, within such one (1) year or six (6) month warranty period, the equipment shall be proved to Kerotest's satisfaction to be defective, Purchaser's sole and exclusive remedy is expressly limited to the furnishing by Kerotest of repair or replacement parts F.O.B. Kerotest's factory, except that there shall be no obligation to replace or repair items which by their nature are expendable. Kerotest's obligation hereunder shall be limited to the delivery or repair or replacement parts and shall be conditioned upon receipt from purchaser of written notice and explanation of the circumstances concerning the alleged defect within ten (10) days after its discovery and, at Kerotest's option, return of such equipment or parts to Kerotest Manufacturing Corp. at 5500 Second Avenue, Pittsburgh, Pennsylvania 15207 with shipping cost prepaid. The furnishing of such repair or replacement parts shall constitute fulfillment of all liabilities of Kerotest to Purchaser with respect to or arising out of the equipment based on contract, negligence, strict tort or otherwise.

- C. No representation or other affirmation of fact including but not limited to statements regarding capacity, suitability for use or performance of the equipment shall be or be deemed to be a warranty by Kerotest for any purpose nor give rise to any liability or obligation of Kerotest whatsoever.
- D. The foregoing is Kerotest's sole warranty with respect to the equipment manufactured by Kerotest and is given expressly in lieu of all other warranties, express or implied, including but not limited to, any implied warranties of merchantability of fitness for a particular purpose or warranty against redhibitory defects.

7 LIMITATION OF LIABILITY

- A. Kerotest shall not be liable for any indirect, special or consequential damages arising out of, relating to, or resulting from any equipment or parts not manufactured by Kerotest or its subcontractors regardless of the manner in which any Kerotest equipment is affixed or attached to such equipment or any defective installation or failure to follow Kerotest's installation instructions by the Purchaser, its agents or customers. In no event shall Kerotest be liable for loss of profits, indirect, special or consequential damages, including but not limited to damage or loss of other property or equipment, loss of profits or revenue, cost of capital, cost of purchased or replacement goods or claims of customers of Purchaser for service interruptions. The remedies of Purchaser set forth herein are exclusive and the liability of Kerotest with respect to any contract or anything done in connection therewith, such as the performance or breach thereof or from the manufacture, sale, delivery, resale, installation or use of any equipment furnished under this contract whether arising out of contract, negligence, strict tort or under any warranty or otherwise, shall not exceed

the price of the equipment provided under this contract.

- B. Kerotest shall not be liable for any damages caused by delay in delivery, installations or furnishing of the equipment or services under this contract.
- C. Kerotest shall not be liable for any fines, penalties, environmental testing or investigation and remediation costs, including those alleged by third parties.
- D. No action arising out of any alleged breach of this contract or related to the equipment may be brought by either party more than two (2) years after the claim arose.

8. TERMINATION

- A. If Purchaser fails to make any payment within ten (10) days of its due date, or fails to perform any other obligations hereunder upon thirty (30) days written notice, or should Purchaser be or become insolvent or a party to any bankruptcy or receivership proceeding or any similar action affecting the affairs or property of Purchaser prior to payment in full of the balance of the Purchase Price and all other amounts payable hereunder, Kerotest may:
 - (i) With or without demand or notice to Purchaser other than as provided above (if given, notice by mail to Purchaser's address, set forth on the face hereof) declare to entire amount unpaid immediately due and payable;
 - (ii) enter the premises where the equipment is located and remove the equipment (Purchaser shall permit and assist Kerotest in effecting the retaking and removal of the equipment and shall, if requested by Kerotest, assemble the equipment and make it available to Kerotest at a place which is reasonably convenient to both parties); and
 - (iii) sell any or all the equipment permitted under applicable law. With respect to any such sale, the requirements of reasonable notice shall be met if such notice is given to Purchaser at least ten (10) days before the time of the sale. Kerotest shall apply the proceeds of sale of the equipment to the payment of the expenses of retaking, storing, repairing and selling the equipment, reasonable attorney fees and to the satisfaction of all indebtedness of Purchaser to Kerotest. Any surplus shall be paid to Purchaser and any deficiency shall be paid to Kerotest by Purchaser; and
 - (iv) suspend shipment on or terminate any or all other orders between Kerotest and Purchaser.
- B. The remedies provided herein shall be cumulative and shall be in addition to all other remedies provided by law or equity.

KEROTEST MANUFACTURING CORP.

ACKNOWLEDGEMENT TERMS AND CONDITIONS

9. INSPECTION

- A. Inspection, testing and preparation for shipment will be performed in accordance with Kerotest's standard procedures unless otherwise provided in writing by Purchaser. Any request by Purchaser for special testing, inspection or packing may result in additional charges being invoiced.
- B. Unless otherwise indicated on the face page hereof, inspection of the equipment shall be made at Kerotest's plant and shall be conclusive except for defects which a reasonable inspection could not have revealed. Purchaser's representative may inspect the equipment at the plant during business hours prior to shipment, provided that such inspection is performed in such a way as will not interfere with the operations of Kerotest.

10. DELIVERY AND DELAYS

- A. Kerotest will use its best efforts to make delivery as scheduled, but the delivery date shown on the face hereof is only an estimate. Kerotest shall not be liable in any way for delay, non-delivery or default in shipment due to labor disputes, transportation shortage, delays in receipt of material, priorities, fires, floods, accidents, consequences of foreign or domestic wars, acts of government and all other causes beyond the control of Kerotest, affecting Kerotest or its suppliers.
- B. Kerotest reserves the right to make delivery in installments, unless otherwise stated herein.
- C. Claims for shortages or other errors in delivery must be made in writing to Kerotest within ten (10) days after receipt of shipment and failure to give such notice shall constitute unqualified acceptance and waiver of all such claims by Purchaser.

11. COST OF SHIPMENT

Except for freight charges for equipment manufactured and assembled outside the United States, Purchaser agrees to pay the freight charges from the point of shipment (point of entry in the case of non-USA manufactured and assembled equipment) to destination, the cost of cartage, the cost of un-boxing the equipment and the handling thereof from the time of shipment to the floor where the equipment is to be installed.

12. ASSIGNMENT

Neither party may assign or transfer this contract without the prior written consent of the other, except that Kerotest may, without giving notice to Purchaser, assign sums due or to become due under this contract, and when so assigned, the assignee shall be free from any defense, counter-claim, or claim of setoff by Purchaser. No assignment by Purchaser with or without the consent of Kerotest shall terminate Purchaser's liability to Kerotest.

13. GOVERNING LAW AND JURISDICTION

This contract shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania other than the rules governing conflict of laws. All suits, actions or other proceedings arising out of or relating to this Agreement or the subject matter hereof shall be brought only in the Court of Common Pleas of Allegheny County, Pennsylvania, or in the United States District Court for the Western District of Pennsylvania. Purchaser (1) irrevocably submits itself to the jurisdiction of such courts for the purposes of any such suit, action or other proceedings; (2) waives and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceedings: (a) any claim that Purchaser is not personally subject to the jurisdiction of the above-named courts, (b) the suit, action or proceedings is brought in an inconvenient of the above-named courts, (b) the suit, action or proceedings is brought in an inconvenient forum, or (c) the venue of the suit, action or proceedings is improper; and (3) agrees that any service of process upon it pursuant hereto shall be sufficient if done in accordance with Section 14 hereof.

14. NOTICE

All notices and other communication required or permitted under this Agreement shall be made in writing and mailed by certified mail, return receipt requested, postage prepaid, to the respective addresses set forth on the face hereof, or at such other address as either party may from time to time designate in writing. Such notice shall be deemed received upon the third day after mailing.

15. MODIFICATION

No modification or amendment of this contract shall be binding upon the parties unless such modification or amendment shall be in writing duly executed by both parties. Any such modification or amendment shall not be binding on Kerotest unless signed by a duly authorized Kerotest representative. The terms and conditions of this order shall prevail, notwithstanding, any variance with the terms and conditions of any order or other instruments submitted by Purchaser.

16. CONFIRMATION

If the Purchaser has any objections to or questions about the Terms and Conditions of this Agreement, the Purchaser must within seven (7) days call Kerotest at 412-521-4200 or fax us at 412-521-2160. Acceptance of Kerotest's products and payment of the invoice further confirms Purchaser's acceptance of these Terms and Conditions.