

STANDARD TERMS AND CONDITIONS OF SALE

The terms and conditions of sale outlined herein shall apply to the sale by Hobson & Motzer, Inc. ("H&M") of products, equipment and parts relating thereto ("GOODS") to the original user ("BUYER") and shall constitute the valid and binding agreement of the parties ("AGREEMENT"). All proposals by H&M, all acceptances of BUYER'S orders and all sales by H&M are expressly limited to the terms and conditions set forth herein. No modifications of this AGREEMENT shall be binding on H&M unless in writing and signed by an authorized representative of H&M.

PRICE AND PAYMENT: Prices herein are based on single set up continuous manufacture and material procurement for delivery of materials as scheduled on the face of this quotation and acknowledgement, unless H&M deems otherwise. Orders requesting different shipments are manufactured at one setup for economy to the BUYER and finished material is stored in H&M'S plant for future shipping and billing according to deferred delivery dates as set forth. H&M reserves the right therefore, to adjust prices upward because of any requests for deferred manufacture to coincide with a deferred shipping schedule. Orders are not subject to deferred shipments (except as noted on the face of this acknowledgement) or change except with H&M'S written consent upon terms that will indemnify for loss or damage arising therefrom. Any change to the order as shown on the face of this acknowledgement will be construed to include all parts held in H&M'S plant for deferred shipment and all material held in H&M'S plant for deferred manufacture.

Tools and dies ("TOOLING") designed and built exclusively for BUYER order will be considered BUYER'S property after purchase of such TOOLING. H&M agrees to maintain TOOLING for BUYER'S benefit free of charge, normal wear and tear accepted, for a period of two years after the completion of BUYER'S most recent production order requiring their use, after which time they will become H&M'S property absolutely and H&M may dispose of them as they see fit

Unless otherwise specified an overrun or underrun of 10% on all GOODS orders will be allowed.

All prices are subject to adjustment by H&M for (a) Correction of stenographic and clerical error (b) changes in cost of materials, or taxes at any time during production. Prices quoted unless otherwise specified, are FOB H&M'S factory. Transportation charges, Insurance, license fees, customs, duties and other charges will be paid by BUYER. Should BUYER'S shipping, crating, or other instructions result in higher costs, such costs will be borne by BUYER.

Unless otherwise specified, prices are based on a 1.0 AQL zero acceptance number sampling plan.

Payment terms, unless specified otherwise, are as follows: TOOLING: thirty-three percent for order, thirty-three percent upon fifty percent completion and thirty-four percent upon parts approval by BUYER. All other GOODS: one hundred percent net thirty days from dates of invoice. Overdue payments will be charged at the rate of one and one half percent (1-1/2%) per month (18% per annum) or the maximum amount legally chargeable by H&M, whichever is less. H&M reserves the right to withhold shipments of GOODS, furnishing of service, or providing warranty adjustments on any sale for which payments are past due. H&M reserves the right to require payment in advance of shipment

Unless otherwise specified, GOODS and TOOLING quotations are no longer valid 30 days after the date of quotation.

DELIVERY: H&M will use its best efforts to meet quoted delivery date provided however, H&M will not be responsible for any liability loss suffered by BUYER as a result of delay in delivery of the GOODS. The BUYER acknowledges that it may not cancel any order due to reasonable delay in delivery. Delivery of GOODS to a common carrier will be deemed satisfactory delivery by H&M to BUYER. Except for warranty obligations, H&M'S responsibility for the GOODS ceases and title risk of loss passes to BUYER (regardless of whether the purchase price of the GOODS has been fully paid) upon delivery of the GOODS to the common carrier for shipment BUYER therefore, should make claim against the common carrier for loss due to a delay in delivery of the GOODS.

Until BUYER performs all of its obligations hereunder, including payments in full of the purchased price of the GOODS and/or TOOLING, H&M will retain a purchase money specialty interest in the GOODS and/or TOOLING, including the proceeds thereof. BUYER agrees, upon request of H&M, to execute any document required to perfect such specialty interest

No GOODS are to be returned to H&M for any reason without H&M'S written permission and the return assignment to the return of a Return Material Authorization (RMA) approved by H&M.

No credit for shortage shall have any effect unless it is in writing and received by H&M within ten (10) days after BUYER'S receipt of GOODS.

CANCELLATIONS: Buyers may cancel any order by giving H&M written notice of such cancellation. If a BUYER cancels an order, BUYER shall be liable for reasonable cancellation charges. In the event of such cancellation, BUYER will have no rights in partially completed GOODS. H&M reserves the right to cancel an order when BUYER fails to meet payment terms of the order or in the event of such dispute over the specifications. BUYER agrees to pay any costs incurred by H&M up to the date of cancellation. H&M also reserves the right to cancel an order when it is determined that the GOODS ordered cannot meet the BUYER'S capacity or express requirements.

ACCEPTANCE OR REJECTION OF GOODS: BUYER shall have thirty (30) days after receipt of final GOODS to either reject or accept it. If the GOODS are rejected, written notice must be given to H&M of such rejection, stating the grounds for such rejection such notice will then be received by H&M no later than thirty (30) days after BUYER'S receipt of GOODS. H&M shall have a reasonable period of time to correct the defects.

ASSIGNMENT: This AGREEMENT is not assignable by BUYER to any third party without the express written consent of H&M, which shall not be unreasonably withheld, H&M shall have the right to subcontract any portion of its obligations under this AGREEMENT and may assign any right to payment or other rights hereunder without the consent of BUYER.

WARRANTY AND LIMITATION OF WARRANTY: The obligation of H&M under this warranty is limited to the replacement without charge at its factory of GOODS found to be defective. All claims for defective GOODS must be in writing giving full data as to use and advice and must be received by H&M within thirty days after BUYER'S receipt of GOODS. At H&M'S option it may either inspect the GOODS on the BUYER'S premises or request that the GOODS be returned to H&M for inspection. THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED AND OF ALL OTHER OBLIGATIONS OR LIABILITIES OF H&M OF EVERY NATURE WHETHER FOR INDIRECT OR CONSEQUENTIAL LOSS OR OTHERWISE.

This warranty does not extend to GOODS or parts that have been subjected to misuse, abuse, shipping damage, improper application, alteration, corrosion, improper storage, accident, negligence, improper installation or incorrect repair or servicing not performed or authorized by H&M. If inspection does not disclose any defect in workmanship material, all cost of handling, repair and travel will be charged to the BUYER.

No unauthorized agent, employee or representative of H&M has authority to bind H&M to any affirmation, representation or warranty concerning the GOODS or TOOLING and any affirmation, representation or warranty made by any agent, employee or representative shall not be enforceable by BUYER. H&M shall not be liable for any repairs, replacements, or adjustments to the GOODS or TOOLING or any costs later performed by the BUYER or others without H&M'S prior written consent THIS WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

LIMITATION OF LIABILITY: BUYER'S RIGHT TO RECOVER DAMAGES TO PROPERTY CAUSED BY H&M'S FAULT OR NEGLIGENCE SHALL BE LIMITED TO THE RETURN OF THE GOODS AND THE RETURN OF THE AMOUNT PAID BY BUYER TO H&M FOR SUCH GOODS CAUSING OR CONNECTED TO THE DAMAGE THAT GAVE RISE TO THE LIABILITY, H&M WILL NOT BE LIABLE IN ANY EVENT FOR ANY DAMAGES RESULTING FROM LOSS OF PROFITS, USE OF PRODUCTS FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. This limitation will apply regardless of the form of action whether in contract or tort. Any actions against H&M must be brought within eighteen (18) months after the cause of action occurs.

CONTRACT DOCUMENTS: Any drawings, sketches or other documents furnished by H&M are strictly stated for the use of the GOODS or TOOLING, BUYER acknowledges that the information contained in such documents is valuable property confidential and trade secret information of H&M and BUYER shall not copy, publish, in whole or in part, or otherwise disseminate or make available such documents or the contracts to any party without the prior written permission of H&M.

PATENT INDEMNITY: If any GOODS or TOOLING are manufactured and/or sold by H&M to meet BUYER'S particular specifications or requirements and is not a part of H&M'S standard line offered by it to the trade generally in the usual course of business, BUYER shall defend, protect, and save harmless H&M against all suits and from all disputes and demands for actual or alleged infringement of any patent and shall defend any result or action which may be brought against H&M for any alleged infringement because of the manufacture and/or sale of the GOODS or TOOLING.

FORCE MAJEURE: H&M shall not be required to perform its obligations under this AGREEMENT, nor will H&M be liable for the failure to perform for causes beyond the reasonable control of H&M.

GENERAL PROVISIONS: This AGREEMENT will be governed by the laws of the State of Connecticut. All rights and remedies conferred by this AGREEMENT shall be cumulative and may be exercised singularly or concurrently. Failure by either party to enforce any contract term shall not be deemed a waiver of future enforcement of that or any other term. The provisions to the AGREEMENT are declared to be severable, if legal action is brought for the enforcement of this AGREEMENT, H&M shall be entitled to recover attorney's fees and other costs incurred in such action.

All orders or contracts are accepted with the understanding that they are subject to H&M'S ability to obtain the necessary raw materials.

ACCEPTANCE OF TERMS AND CONDITIONS: In the absence of a written document by the BUYER, an acceptance of any of the GOODS or TOOLING covered by this AGREEMENT will constitute in acceptance of the terms and conditions of this AGREEMENT.

Any proposal for additional terms, or any attempt to vary, in any degree, any of the terms of this offer shall operate as a rejection and shall constitute a counter offer. Any attempt to vary any of the terms of this offer shall be deemed a material alteration.

H&M reserves the right to change these terms and conditions at any time without prior notice. In the event that any changes are made, the revised terms and conditions will be posted on our website at: www.hobsonmotzer.com.