

TERMS AND CONDITIONS

The following terms and conditions apply to all purchase orders, contracts or shipments between Thomas Ladisch Associates ("TLA") and any customer ("Customer") for which TLA provides equipment, products, or services:

OFFER AND ACCEPTANCE. The products and services described are offered for sale by TLA subject to all of the terms and conditions stated herein. This writing constitutes an offer of sale, which is expressly limited to the products, services, terms, and conditions stated herein. By submitting a purchase order or other written response to this offer of sale, or by accepting delivery of the products and services offered herein, Customer accepts all of the terms and conditions contained herein. No additional, changed, or conflicting terms and conditions appearing in Customer's purchase order or other written response to this offer shall be binding upon TLA unless expressly agreed to in writing by TLA.

PAYMENT TERMS. Payment terms are NET 30 Days from Date of Invoice, Subject to credit approval by TLA's Credit Dept. Shipments, deliveries, and performance of work by TLA shall be subject to the continuing approval of TLA's Credit Dept., which may require full or partial payment in advance if the financial condition of Customer (in the sole opinion of TLA's Credit Dept.) does not justify continuance of work by TLA on the terms of payment agreed upon.

SHIPMENT. All shipments are F.O.B, Gilbertsville, Pennsylvania, USA. All transportation expenses shall be paid by Customer.

TITLE AND RISK OF LOSS. Title to any products shipped by TLA shall pass to Customer upon delivery by TLA to the carrier. Risk of loss or damage to products in transit is assumed by Customer, and Customer shall bear responsibility for filing and pursuing any claims for loss or damage with the carrier.

DELIVERY. Shipping dates are approximate only based upon prompt receipt from Customer of all information required by TLA to meet Customer expectations. TLA shall not be liable for delays in delivery or failure to perform hereunder where such delay or failure results from:

- (i) causes beyond the reasonable control of TLA,
- (ii) acts of God, acts of Customer, or acts of civil or military authorities,
- (iii) inability of TLA to obtain necessary labor, materials, components, or facilities, or
- (iv) any other commercial impracticability. In the event of any such delay, the date of delivery shall

be deferred for a period of time equal to the time lost by reason of the delay.

LIMITED WARRANTY OF PRODUCTS AND SERVICES

Limited Warranty. TLA warrants its products to be free from defects in materials and workmanship under normal use and operation for a period of one (1) year from the date of product installation and no more than one (1) year and six (6) months from date of product delivery, as evidenced by TLA shipping records (the "Warranty Period"). For any materials or workmanship determined by TLA to be defective within the Warranty Period, TLA shall, at its option, either:

- (i) repair any such defective material, component part, or service, or
- (ii) make available to Customer, FOB Gilbertsville, Pennsylvania, any repaired or replacement parts or materials to replace such defective material, component part, or service, or
- (iii) refund to Customer the amount paid by Customer for the defective product or service provided by TLA hereunder.

Exclusions. The above warranty shall not apply to any product that has been:

- (i) subjected to misuse, negligence or accident;
- (ii) misapplied by Customer or others for an improper use;
- (iii) installed in an improper manner;
- (iv) modified or repaired contrary to TLA recommendations or generally accepted practices or procedures in the industry, or
- (v) operated under conditions which may cause product failure.

TLA shall not be responsible for any costs associated with the product damage, loss or replacement due to overloading of mechanism, improper cleaning, fluid chemistry deviating from or exceeding TLA's recommendations, vibration, thermal cycling, hydraulic shock, overpressurization, and any other operating or system condition which may cause product failure. Further, TLA shall not be responsible for any costs associated with the product damage, loss or replacement due to improper use, application, or overpressurization or vacuum application to any and all flexible tubing whether reinforced or non reinforced.

Warranty Procedures. If any TLA product is believed to be defective, written notice of such warranty claim must be made and an RA# (Return Authorization) must be issued by TLA, Inc., PO Box 387, 500 County Line Road, Gilbertsville, PA 19525 USA Phone (610)367-1065 FAX (610)369-0074.

TLA, at its option, may require return of any product believed to be defective for purposes of testing, inspection and verification, as a requirement for potential warranty coverage.

Disclaimer of Further Warranties. THE LIMITED WARRANTY SET FORTH ABOVE IS THE EXCLUSIVE WARRANTY APPLICABLE TO THIS CONTRACT, AND TLA EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES OR REMEDIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WHETHER THE SAME ARE WRITTEN, VERBAL, IMPLIED, OR STATUTORY.

Limitation of Liability. Under no circumstances shall TLA be liable for any incidental, consequential, or special damages, losses, or expenses incurred by Customer or any third party arising from this offer of sale or the performance of TLA hereunder. Under no circumstances shall the amount of any claim for damages or liability exceed the amount paid by Customer for products and services provided by TLA hereunder.

Time Limitation on Warranty Claims. No legal action or claim, whether based in tort, contract, strict liability, breach of warranty or otherwise, arising out of this offer of sale or the performance by TLA hereunder may be commenced more than one (1) year following expiration of the Warranty Period. Customer hereby waives any such claim or cause of action commenced after the Warranty Period.

TAXES AND DUTIES. Customer shall be responsible for collection or payment of any federal, state, provincial or local taxes or duties. Any taxes which TLA may be required to pay or collect, under any existing or future law, with respect to the sale, purchase, delivery, storage, or use of any product or services covered hereunder shall be the responsibility of Customer.

PROPRIETARY RIGHTS. TLA retains the exclusive right to all trade names, service marks, trademarks, copyrights and patents for which TLA is the lawful owner or Licensee, and Customer acknowledges that Customer acquires no right, title or interest in or to any such trade names, service marks, trademarks, copyrights or patents for any reason.

JURISDICTION AND VENUE. As to litigation arising from any disputes, claims or controversy, both Customer and TLA:

(i) submit to the exclusive general jurisdiction of the state courts of Montgomery County, Pennsylvania, the federal courts of the United States of America for the Eastern District of Pennsylvania, and any appellate courts from any decision thereof;

(ii) consent that any such action or proceeding may be brought in such courts; and

(iii) waive any objection that either may have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient forum and each party agrees not to plead or claim the same.

ENTIRE AGREEMENT. These terms constitute the entire agreement between the parties and all prior negotiations and representations of the parties are merged herein.

PENNSYLVANIA LAW TO APPLY. Any purchase order, shipment or contract resulting from Customer's acceptance of this offer of sale shall be deemed to have been executed and delivered in Montgomery County, Pennsylvania, and shall be construed under, and in accordance with, the laws of the Commonwealth of Pennsylvania.

WAIVER. One or more waivers of any breach of any term or condition herein shall not be construed as a waiver of any subsequent breach of the same term or condition. To be effective, any express waiver must be in writing.

COLLECTION COSTS. Should Customer default in the payment of any amount owing to TLA for products or services, and TLA is required to expend costs and expenses in collecting such amount, TLA shall be entitled to reimbursement for all such costs of collection (including reasonable attorney fees).

PRODUCT SELECTION AND USE. Customer shall be responsible for accurate design and operating conditions used in the selection and use of TLA products. Customer selection and use of TLA product from published literature or TLA transmitted drawings and designs shall be at the customer's risk as to appropriate application, design conditions and performance criteria use.

STANDARDS AND TOLERANCES. All Product Dimensions and published information is subject to change without notice. All TLA products furnished to Customer shall also be subject to tolerances and variations consistent with usages of the trade concerning dimensions, composition and mechanical properties, and normal variations in performance characteristics and quality.

SPECIAL ORDERS. On special orders and products of custom design, a minimum of 50% of the sale price may be required upon engineering approval by the customer.

RESTOCKING AND CANCELLATION CHARGES. TLA reserves the right to collect costs against returned product and cancelled orders. Restocking charges of returned product costs shall be 25% of the product(s) sales price, and cancellation charges shall be a minimum of 25% of the product(s) sales price, or work in progress costs incurred by TLA, whichever is higher.