

**TERMS AND CONDITIONS**

1. All contract and purchase orders (each a "Contract" and collectively, "Contracts") entered by the Company with its customer (the "Purchaser") are governed by these Terms and Conditions. No request for the purchase of articles from the Company is binding unless contained in a Contract agreed to by the Company. Any amendment to these Terms and Conditions or any Contract between the Company and the Purchaser must be in writing and executed by the Company.
2. All Contracts entered by the Company shall be deemed to have been entered into at Lancaster, Pennsylvania, and shall be construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to the conflicts of law principles thereof.
3. All prices are subject to: (i) change, without prior notice to the Purchaser, at any time before the Company enters a written Contract; (ii) the correction of stenographic, arithmetical, or clerical errors; and (iii) adjustment as a result of an increase in the price of raw materials, wages or taxes.
4. In addition to the price(s) set forth in the contract between the Company and the Purchaser, the Purchaser agrees to pay all applicable sales, excise, or use taxes for which the Company may be liable.
5. The Purchaser will be liable for such nonrecurring engineering charges as are specified in the written Contract between the Company and the Purchaser. Such charges are intended to reimburse the Company in whole or in part for tools and fixtures that are dedicated to the work required by the Contract. Such charges do not confer on the Purchaser any right or claim with respect to such tools or fixtures, or with respect to their use or disposition, and upon completion of the work the Company may dispose of the tools or fixtures as it sees fit. There will be no charge for upkeep or repair of tools and fixtures.
6. The terms of sale shall be net due in 30 days from the date of each invoice. The Company may, in its absolute discretion, charge Purchaser interest at a rate of 1.5% per month (18% annually) for each invoice that is not timely paid, with interest beginning to accrue 30 days from the date of the invoice and continuing until the invoice and accrued interest are paid in full. In the event Purchaser fails to timely pay any invoice, the Company may, without prejudice to its statutory and contractual rights, decline in whole or in part to make further deliveries under any Contract and/or to make further deliveries dependent upon advance payment or surety.
7. If any invoice or set of invoices is placed in the hands of an attorney for collection or if it is collected through a bankruptcy, probate, or any other legal proceeding, then the Company will be entitled to all costs of collection, including but not limited to its reasonable attorney's fees.
8. A 10% over-run or under-run on orders shall be allowed.
9. Articles produced by the Company shall fall within commercial tolerances established by industry practice.
10. The method of shipment and the insurance valuation for all articles shall be determined by the Company.
11. Any claim that the Company has shipped an incorrect quantity or that an article manufactured by the Company does not meet contract specifications must be received by the Company, in writing, within ten days of the Purchaser's receipt of the article. Any claim received after ten days shall be null and void. Upon receipt of a timely claim, the Company may, at its sole option, (i) inspect the articles at the Purchaser's premises, or (ii) request return of the articles to the Company's plant for inspection. Whether or not a claim is allowed, the Purchaser shall hold the Company harmless, and shall indemnify the Company, for any costs, fees, or damages for which the Company may become liable arising from or out of the inspection of the articles.
12. No articles may be returned to the Company without the Company's written authorization.
13. Any claim relating to damage during shipment shall be made to the delivering carrier in accordance with such terms and procedures as the carrier shall specify, and Purchaser shall retain the articles and packaging for inspection by the delivering carrier.
14. The Purchaser assumes full responsibility for, shall bear all the expense of, and shall hold the Company harmless with respect to any suit, claim, or damages arising from, or out of any liability arising out of, or in connection with, any article manufactured to the Purchaser's design or specification, or designed by the Company to meet the Purchaser's requirements.
15. If the Purchaser ceases to operate in the normal course of business (including, but not limited to, the Purchaser's inability to meet its obligations as they mature, or if Purchaser becomes a party to any voluntary or involuntary insolvency proceedings, or a receiver for the Purchaser is sought or appointed), the Company may, at its sole discretion and without any liability whatsoever, immediately terminate any Contract with the Purchaser, cancel any order placed by the Purchaser, and/or order the return by a carrier of articles in transit from the Company to the Purchaser. Exercise of this right shall not constitute a waiver of any other rights or remedies the Company may have at law or in equity.
16. If an article purchased by the Purchaser from the Company is defective then the Company will, at its option, repair or replace the article without charge on the following terms and conditions that: (i) the Company received actual notice of such defect or deficiency within six (6) months of the date on which the article was delivered to the Purchaser (or, if the defects are visible or obvious, within fourteen (14) days of delivery); (ii) the Purchaser must have examined the article immediately upon delivery and have notified the delivering carrier of any damage to the article during shipment; (iii) the defective article must be maintained in the condition it was in when the defect or deficiency was first identified; and (iv) the article has been used, operated, and installed in accordance with Company instructions, and has not otherwise been used, operated or installed improperly or incorrectly. EXCEPT AS SET FORTH HEREIN THE COMPANY HEREBY DISCLAIMS ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.