

**EVERSEAL GASKET
SALES AGREEMENT
TERMS AND CONDITIONS**

1. DISCLAIMER. SELLER DISCLAIMS ALL EXPRESS AND IMPLIED WARRANTIES, AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND ALL IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE. No representative of Seller is authorized to make any warranties, promises or representations as to the Goods sold by it. No waiver or modification of these terms or conditions shall be valid unless in writing and signed by an officer on behalf of Seller.

2. CUSTOM-MADE GOODS. As to any Goods which are custom-made to order, Purchaser assumes full responsibility for the specifications of the Goods, including specifications suggested by Seller and accepted by Purchaser, and for their suitability for the use to which they are to be applied. Seller shall have no liability based on any defect in such specifications.

3. LIMITED LIABILITY. Seller's liability to Purchaser in all events shall be limited to that amount actually paid by Purchaser to Seller for the Goods ordered by Purchaser. Seller shall not be liable for incidental or consequential damages.

4. INDEMNIFICATION. Purchaser shall protect, defend, hold harmless and indemnify Seller, its successors and assignees from and against any and all of the following:

A. liability and expense arising out of death or injury to any person or damage to property by whomsoever suffered caused by parts, design, specifications or other materials furnished and/or specified by Purchaser to Seller;

B. liability and expense arising out of any malfunction of any Goods produced by Seller for Purchaser which is due to parts, design, specifications, or any other material, furnished and/or specified by Purchaser to Seller.

C. liability and expense arising out of any demand, claim or suit for actual or alleged infringement of any patent by an reason of the use or sale of any Goods or part thereof covered by this agreement, including, but not limited to, the replacement of any Goods or parts, court costs and attorney's fees.

5. VARIATION IN QUANTITY. On any individual order or release against an order, Seller reserves the right to deliver a quantity of goods which may vary up to ten percent (10%) over or under the quantity ordered. Unless otherwise stated on the face hereof, the Purchaser shall accept the goods and pay for them upon delivery. Delivery of ten percent (10%) over or under the quantity specified shall constitute fulfillment of an order or release against an order. Exact quantities may be negotiated where necessary.

6. TAXES. Purchaser shall pay any and all sales tax and/or use tax if any such tax or taxes are found to be due and owing as a result of this transaction.

7. ERRORS. Typographical and stenographic errors shall be subject to correction by Seller.

8. MATERIAL PROVIDED BY PURCHASER. Material provided by Purchaser must be of suitable quality to facilitate efficient production by Seller and shall be subject to a reasonable amount of spoilage and/or waste.

9. CANCELLATION CHARGES. Orders cannot be cancelled without charge after manufacturing has begun. Such charge shall include the total costs of materials, labor and any incidental expenses. Seller is under no duty to mitigate costs by selling or otherwise disposing of materials or other property intended to fill Purchaser's order to other purchasers.

10. FORCE MAJEURE. Seller shall not be liable for any loss, damage, delay, changes in shipment schedules or failure to deliver caused by accident, fire, strike, riot, civil commotion, insurrection, war, the elements, embargo, failure of carrier, inability to obtain transportation facilities, government requirements, acts of God or public enemy, prior orders from customers of or limitations on Seller or its suppliers, or any other cause or contingency beyond the control of Seller.

11. TITLE AND RISK OF LOSS. Title and risk of loss shall pass to Purchaser upon delivery of the Goods to Purchasers.

12. TOOLING CHARGES. Tooling and set-up charges are not subject to discount and do not constitute a sale of the equipment unless approved in writing by Seller. The tooling charge quoted represents a portion of the actual cost. Tools will be maintained by, and will remain in possession of, and be considered property of Everseal Gasket.

13. PURCHASE MONEY SECURITY INTEREST. If Purchaser does not pay the full purchase price of the Goods upon delivery. Seller shall acquire a purchase money security interest in and a lien on such Goods until they are paid for in full.

A. Insurance. As long as Seller retains its purchase money security interest in the Goods, Purchaser agrees to protect Seller with full insurance covering all losses and damages to the Goods. If the Seller so requests, Purchaser agrees to submit a copy of the Certificate of Insurance demonstrating it has complied with this requirement. Purchaser hereby assigns to Seller all proceeds from such insurance, conveys an equitable lien in said proceeds, and directs any insurer to pay proceeds to Seller and authorizes Seller to endorse any drafts or checks for said proceeds. Seller may at its option and at its own expense insure its own interest in the Goods; if Seller does obtain its own insurance, Purchaser shall have no interest whatsoever in such insurance and Seller's insurer shall subrogate to Seller's rights upon payment to Seller of all or any part of the amount due under this agreement.

B. Location of Equipment; Levy; Inspection. As long as Seller retains its purchase money security interest, Purchaser shall, whenever requested by Seller, give Seller the exact location of the Goods and shall further give Seller immediate notice if any levy is attempted upon the Goods, or if the Goods from any cause become liable to seizure, and shall indemnify Seller against all loss and damages caused by any such action. Seller shall have the privilege at all times of entering, for the purpose of inspection, any job, building or location where the Goods are being used, and reserves the privilege of removing the Goods on 24 hours notice if they are being overloaded or taxed beyond their capacity or in any manner abused neglected or misused.

C. Maintenance of Equipment. As long as Seller has a purchase money security interest in the Goods, Purchaser shall maintain the Goods in the same condition as when delivered by Seller and shall pay for all damages to the Goods.

D. Assignment; Subletting; Moving of Goods. As long as Seller has a purchase money security interest in the Goods, Purchaser shall not assign, sell, sublet, encumber or otherwise transfer the Goods or any rights thereto without prior written consent of the Seller. The Purchaser also shall not remove the Goods from the location to which the Goods were delivered without the prior written consent of the Seller.

E. Default. Should any of the provision of this agreement be violated by Purchaser, Seller may demand immediate full payment of the purchase price and/or Seller or its agents may, without notice, enter the premises occupied by Purchaser without being a trespasser thereon and take possession of and remove the Goods with or without process of law. In the event any action becomes necessary, Purchaser shall pay all costs of repossessing and all freight, demurrage, storage, labor or other charges required to return the Goods to Seller's designated receiving point. If legal process is undertaken by Seller to repossess the Goods, the Purchaser, together with the hereinabove stated costs and charges, agrees to pay a reasonable attorney's fee to Seller's attorney for commencing and prosecuting the above-stated legal action.

14. ENTIRE UNDERSTANDING. This agreement constitutes the entire understanding between Seller and Purchaser with respect to the Goods and services to be furnished hereunder and shall supersede all previous negotiations, commitments and writings, unless specifically included by reference herein. The terms of this agreement shall supersede any other terms and conditions on Purchaser's purchase order form.

15. APPLICABLE LAW; SEVERABILITY. The law of the State of Kansas shall apply to this agreement and the construction thereof. To the extent any provision or clause in this agreement is prohibited by any law or is deemed unenforceable, such prohibition or unenforceability shall not invalidate any of the remaining provisions or clauses hereof.

16. WAIVER. No waiver of any breach of any provision of this agreement shall constitute a waiver of any other breach of the same or any other provision.

TERMS AND CONDITIONS TO BE ADDED TO QUOTATIONS

1. PRICES. Quotation prices are subject to change by Seller before final acceptance.

2. INCONSISTENT TERMS. Terms contained in Purchaser's purchase order which are inconsistent with those stated herein shall not be binding on Seller.

3. VARIATION IN TERMS. Orders received as a result of this Quotation which vary from the quantity or lead time terms provided in this Quotation are subject to an additional charge.