

TERMS AND CONDITIONS OF SALE

SETOFF

OFFER OF SALE

Power Brushes, Inc. ("Company") hereby offers to sell the products described on the face hereof to Customer upon and subject to the terms and conditions contained herein. Customer accepts these terms and conditions by accepting delivery of the products covered by this invoice and by placement of any future orders for products with Company. Customer's acceptance of the terms and conditions will form the Contract between the parties. The terms and conditions of this offer may not be modified or altered except with the express written consent of an authorized representative of the Company. The Company objects to and will not be bound by any terms and conditions in Customer's purchase order which are in conflict with or in addition to the terms and conditions hereof. Shipment by the Company to Customer is not an acceptance of the terms and conditions of Customer's purchase order.

ENTIRE AGREEMENT

The terms and conditions set forth hereon and on the face hereof constitute the entire agreement between the Company and Customer for sale of the products or services specified herein, superseding all other agreements between the Company and Customer respecting the transaction contemplated herein, whether written or oral, including, but not limited to, any documents, correspondence, brochures, advertisements, e-mails or other electronically created materials or writings, or other memoranda respecting the products.

PAYMENT

Unless otherwise specified on the reverse side, payment for products offered hereunder will become due and payable in lawful money of the United States, within thirty (30) days of the date of the Company's invoice therefor. If shipment is delayed at the request of the Customer, the Company will invoice the Customer when the products are ready for shipment. All amounts not paid within thirty (30) days after they are due shall bear interest at 12% per month or, if lower, the highest rate permitted by applicable law, from the date of the Company's invoice until paid in full. Customer shall reimburse the Company for all costs incurred by Company in attempting to collect any amounts due to Company hereunder, including, but not limited to, attorneys' fees and other costs of litigation.

TAXES

Prices indicated on the face hereof do not include applicable excise, sales, use or other taxes or import, export or customs fees or duties, which may be imposed on the sale or delivery of equipment hereunder. All such taxes and charges, when applicable, will be charged to and are payable by Customer.

CANCELLATION OF CUSTOM PRODUCTS

All work on custom products, once started by Company, cannot be stopped without significant expense for the Company. Customer acknowledges and agrees that Customer is responsible for all labor and material costs associated with canceled Custom Products. A "Custom Product" is defined as any product which is manufactured by Company in accordance with Customer's specifications.

SHIPMENT

Unless otherwise indicated on the face hereof, all products offered for sale hereunder shall be shipped F.O.B. the Company's location, Toledo, Ohio, and title to, right of possession and risk of loss thereof shall pass to Customer upon delivery to the carrier by the Company.

PERMISSIBLE VARIATIONS

Products shipped by Company shall be within Company's standard variations, and Company reserves the right to ship overages or underages of quantity of up to ten percent (10%) in accordance with Company's standard policies.

PACKAGING

Company will use its reasonable efforts to comply with any special packaging requirements specified in writing by Customer in any order. Company will charge for compliance with Customer's special requirements in accordance with Company's price for extras in effect at the time of shipment. If no special requirements are specified by Customer, Company shall comply with the minimum requirements customarily applied by Company to the method of transportation used for such products.

DELAYS IN DELIVERY

The Company shall endeavor to meet the delivery schedule requested by Customer provided, however, that Customer shall give Company reasonable notice of products, quantities and shipping instructions. Company will not be obligated to ship products if reasonable notice of quantities and instructions are not given; if the amount is unreasonably disproportionate to the scheduled amounts or, if none; if the amount exceeds estimates provided by Customer to which the Company has agreed in writing, or if none. The reasonableness of notice shall be determined by company's products' availability and delivery capability and other commitments. Notwithstanding the foregoing, the Company does not guarantee specific dates of delivery and shall not be liable to Customer for delays in delivery for any reason. All shipping dates (including firm shipping dates) may change as a result of circumstances over which the Company has no control.

DEFAULT

Company may delay shipment, reduce amounts shipped, or terminate the Contract if (1) Customer fails to make any payment promptly when due or otherwise fails to comply with the Contract, (2) Customer ceases to conduct its operations in a normal course of business, (3) Customer is or becomes unable to pay its obligation as they mature, (4) any proceeding under the Bankruptcy Code or any other insolvency laws is brought by or against Customer, (5) a receiver for Customer is appointed or an application for a receiver is filed, (6) Customer makes an assignment for the benefit of creditors, or (7) Customer fails to provide adequate assurance of future performance within thirty (30) days after demand by Company (which will be a repudiation by Customer of the unperformed portion of the Contract). In the event of such termination or reduction in the amounts shipped, Customer shall be liable to Company for any and all damages sustained by Company as a result of the defaults which gave rise to the termination or reduction in the amounts of shipment.

Company shall have the right to credit toward the payment of any monies that may become due Company hereunder any sums which may now or hereafter be owed to Customer by Company.

WARRANTIES

The Company warrants that the products will conform in all material respects to the description of the products contained on the face hereof and will be free from commercially unreasonable defects in material and workmanship for a period of ninety (90) days (or for such longer period of time as is specified herein with respect to any particular product) from the date of shipment (the "Warranty Period"). **THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THESE WARRANTIES AND THE COMPANY EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.** Any information or technical advice that the Company may have given to Customer has been given without consideration, and no such information or advice relieves the Customer from the sole responsibility to determine whether the products are suitable for the Customer's intended use, including the responsibility to test the products, if desirable.

Warranty Remedies and Limitation of Liabilities. In the event any product fails to comply with this warranty, Customer may return the product to the Company within the Warranty Period, freight prepaid. Customer's sole and exclusive remedy for the non-conformance of any product with the product description or for defects in materials or workmanship in the product within the warranty period shall be, at the Company's election, (i) the Company's repair or correction of the non-conformance or defect, (ii) the Company's furnishing Customer, without charge and FOB Toledo, Ohio, with a replacement for the non-conforming or defective product, or (iii) the Company's reimbursement of customer for the prorated purchase price of the non-conforming or defective product. The Company shall not be liable for defects caused by abuse or misuse of its products. Except for the Company's direct costs in repairing, correcting or replacing any non-conforming or defective product, the Company shall not be liable for any other expense connected with the repair, correction or replacement of any product or for any special, exemplary, incidental or consequential damages.

THE COMPANY SHALL HAVE NO LIABILITY TO CUSTOMER FOR LOST PROFITS OR ANY SPECIAL, CONSEQUENTIAL, EXEMPLARY OR INCIDENTAL DAMAGES OF ANY KIND WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), PRODUCT LIABILITY OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH LOST PROFITS OR DAMAGES. IN NO EVENT SHALL THE COMPANY BE LIABLE TO CUSTOMER FOR ANY DAMAGES WHATSOEVER IN EXCESS OF THE ACTUAL PRICE PAID TO THE COMPANY FOR THE NON-CONFORMING OR DEFECTIVE PRODUCT. CUSTOMER ASSUMES ALL RISK AND LIABILITY FOR LOSS, DAMAGE OR INJURY TO PERSONS OR PROPERTY ARISING OUT OF ITS USE OR POSSESSION OF THE PRODUCTS OFFERED FOR SALE HEREUNDER.

Customer shall indemnify the Company and hold the Company harmless from all claims by third parties arising out of or in connection with this offer or the products, including, but not limited to, claims for personal injuries, property damage, economic loss, or costs of litigation. Customer shall reimburse the Company for all attorney's fees and other costs of litigation incurred in connection with the defenses of any such claim.

Customer acknowledges that the price of the products is predicated on the enforceability of the foregoing limitation of liability, that the price would be substantially higher if the Company could not limit its liability as herein provided and that Customer accepts this limitation of liability in exchange for a lower price. The limitation of liability may not be altered except by an agreement in writing signed by a duly authorized officer of the Company.

Failure to submit a claim within the Warranty Period shall be conclusive proof that the products are as warranted and shall release the Company from any further liability with respect thereto.

PATENTS

If the material covered by Customer's written order is to be made in accordance with Customer's written specifications and any suit or proceeding is brought against Company on a claim that the material or any part thereof furnished under Customer's order constitutes an infringement of any patent of the United States, Customer agrees to defend any such suit or proceeding and to pay all direct and actual damages and costs awarded against Company therein, provided in all instances that Customer is promptly notified in writing of such suit and given authority, information, and assistance reasonably necessary for defense of same.

APPLICABLE LAW

This Contract shall be deemed to have been entered into and shall be construed according to the Uniform Commercial Code as adopted in the State of Ohio. Customer agrees and submits to the exclusive jurisdiction of the courts of Lucas County, Ohio for resolution of any disputes arising hereunder.

FORCE MAJEURE

The manufacture, shipment and delivery of the products are subject to, and the Company shall not be liable for any delay in or impairment of performance resulting in whole or in part from, any war (whether or not declared), strike, difference with workmen, accident, fire, flood, Acts of God, delay in transportation, shortage of materials, equipment breakdowns, laws regulations, orders or acts of any governmental agency or body or any cause beyond the reasonable control of the Company, or if performance by Company becomes impracticable due to the occurrence of a contingency, the non-occurrence of which was a basic assumption on which the sale was made. In any such event, Company shall have such additional time to perform as may be reasonably necessary and shall have the right to apportion its production among its customers in such manner as it deems equitable.

STATUTES OF LIMITATION

Any action against the Company based on Company's alleged breach of its obligations hereunder must be commenced within one (1) year after the cause of action has accrued, which shall, at the latest, start to run from the date of shipment of the products.