



RAHCO RUBBER, INC.
Terms and Conditions of Sale

A. ORDERS AND PROPOSALS

1. ACCEPTANCE. The terms and conditions stated herein shall constitute the exclusive terms and conditions (the "Terms and Conditions") of the agreement between Rahco Rubber, Inc. ("Rahco Rubber") and the buyer ("Buyer") identified on the attached purchase order (the Buyer) for the products and services to be purchased hereunder (collectively, the "Agreement"). To the extent Buyer's purchase order or any other statement of Buyer contains any terms or conditions in addition to or different from the Terms and Conditions of this Agreement, such terms and conditions are hereby rejected by Rahco Rubber and shall not be binding upon Rahco Rubber. This Agreement constitutes the entire agreement and understanding between the parties.
2. CHANGES/CANCELLATIONS/ MODIFICATIONS/RETURNS. Any Buyer requested changes to this proposal are subject to the approval of Rahco Rubber and shall require a written change order signed by Rahco Rubber and Buyer, Once an order has been placed; it can only be cancelled upon terms and conditions approved by Rahco Rubber.
3. CREDIT AND DEPOSITS. All orders are subject to credit approval and may require a deposit as set forth on the Proposal.

B. INVOICING

1. PAYMENT TERMS. All invoices are due in full net 30 days from date of invoice. A monthly service charge of 1.5% (18% APR) may be assessed on all unpaid balances beyond 30 days from invoice date. Buyer shall not withhold payment in excess of the selling price of the specific product that is subject to repair and/or replacement. Tooling payment terms may differ from product terms and require a percentage down with receipt of purchase order and/or payment due upon receipt of invoice.
2. FREIGHT/DELIVERY/INSTALLATION. Unless otherwise set forth in the proposal, all applicable freight and delivery are not included in this proposal and will be invoiced as a separate line item.
3. TAXES. Unless otherwise noted, any applicable sales, use, excise or other taxes, customs and other fees, without limitation to import and export duties will be invoiced as a separate line item and shall be the responsibility of Buyer.

C. DELIVERY/CLAIMS

1. DELIVERY. Unless delivery is taken at Rahco Rubber's location, Rahco Rubber reserves the right to determine the method of transportation. If included in the scope of services, delivery of products to a carrier at Rahco Rubber's plant or other loading point shall constitute delivery to Buyer; and regardless of shipping terms or freight payment, all risk of loss or damage in transit shall be borne by Buyer. All delivery dates are approximate and Rahco Rubber shall not be liable for any damage as a result of any delay or failure to deliver due to any cause beyond Rahco Rubber's reasonable control. Buyer is responsible for filing necessary freight claims in the event of damage. Buyer shall have no claims against Rahco Rubber due to freight damage nor withhold payment on account thereof. Rahco Rubber will use all reasonable means to deliver products and services on the desired delivery date, but Buyer hereby agrees that Rahco Rubber shall have no liability for any loss or damage arising out of any delivery date which is later than the desired delivery date.
2. CLAIMS. Claims for shortages or other errors in delivery must be made in writing to Rahco Rubber within five (5) days after receipt of shipment and failure to give such notice shall constitute unqualified acceptance and a waiver of all such claims by Buyer unless otherwise approved by Rahco Rubber.

D. MOLDS/STORAGE/CONFIDENTIALITY

1. MOLDS. Any molds, dies, jigs or tools (collectively, "Molds") which Rahco Rubber supplies at its cost shall be owned by Rahco Rubber. Molds supplied or specifically invoiced to the Buyer shall be the property of the Buyer. Notwithstanding the foregoing, Rahco Rubber agrees not to use specially made Molds for which Buyer has actually paid Rahco Rubber for any other customer of Rahco Rubber without the prior permission of Buyer. Rahco Rubber shall be responsible for routine maintenance of such Molds. Repairs, overhauls, replacements or changes shall be charged to the Buyer.
2. STORAGE. Any Molds or products belonging to Buyer and placed in Rahco Rubber's custody for performance of the scope of services is not protected by insurance coverage. If products are not shipped within 15 days after notification to the Buyer that they are ready for shipping, or if any products belonging to Buyer are stored on Rahco Rubber's premises, such storage shall be at Buyer's risk and no risk is assumed by Rahco Rubber, nor shall Rahco Rubber be liable to Buyer or any third party, in the event of loss or damage to such property by fire, water, burglary, theft, civil disorder or any accident beyond the reasonable control of Rahco Rubber.
3. CONFIDENTIALITY. Any sketches, models or samples submitted by Rahco Rubber to Buyer shall remain the property of Rahco Rubber, and shall be treated as confidential information unless Rahco Rubber has in writing indicates a contrary intent. No use of disclosure of such sketches, models and samples, or any design or production techniques revealing thereby, shall be made without the express written consent of Rahco Rubber.

E. WARRANTIES/LIMITATION OF Liability/SPECIFICATIONS/INDEMNIFICATION/MISCELLANEOUS TERMS

1. WARRANTY. Rahco Rubber warrants that, subject to sub-section 3 below, the products will be manufactured substantially in accordance with the Buyer's specifications consistent with industry standards. Rahco Rubber will either repair or replace the product at its option that fails to comply with the warranty and is found to be defective. In the event Rahco Rubber shall be unable to repair or replace a defective product which is covered by this warranty, it shall refund the purchase price paid to Rahco Rubber for the defective product.
2. DISCLAIMER. WHILE RAHCO RUBBER MAY OFFER DESIGN ASSISTANCE AND RECOMMENDATIONS, RAHCO RUBBER MAKES NO REPRESENTATIONS OR WARRANTIES AND DISCLAIMS ALL WARRANTIES OR OTHER LIABILITY OR OBLIGATION, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE AND BUYER EXPRESSLY WAIVES ANY WARRANTY CLAIMS IT MAY HAVE AGAINST RAHCO RUBBER FOR ANY PRODUCTS. Buyer hereby releases and holds harmless Rahco Rubber from any and all claims, actions, damages, costs, expenses (including reasonable attorneys' fees), losses or liabilities of any nature incurred by or asserted or asserted against Buyer to the extent that such claims, actions, damages, costs, expenses, losses, or liabilities are caused by, arise from or are connected with products or services.
3. SPECIFICATIONS. Rahco Rubber will produce the products according to specifications provided by Buyer and approved by Rahco Rubber. Rahco Rubber shall not be responsible or liable in any way for any Buyer supplied specification errors or for minor variations in the specifications which do not adversely affect the quality or usage of the products. Buyer acknowledges that the mold, tool and die industry standards generally provide for production within reasonable tolerances and minor variations and Buyer expressly agrees that such variations shall not constitute defects in the products. Buyer represents and warrants to Rahco Rubber that products produced to the specifications provided by Buyer, including molds, tools and parts produced therefrom, shall not infringe upon any intellectual property rights of any third party.
4. LIMITATION OF LIABILITY. In no event shall (a) Rahco Rubber be liable for any incidental, consequential, special, or punitive damages or lost or imputed profits or royalties arising out of this Agreement or its termination, whether liability is asserted in contract or tort (including negligence and strict product liability) and irrespective of whether a party has advised or has been advised of the possibility of any such loss or damage and (b) Rahco Rubber liability for damages hereunder exceed the lesser of \$1,000 or the total amount of the purchase price paid to Rahco Rubber under this Agreement. Buyer hereby waives any claims that these exclusions deprive it of an adequate remedy.
5. FORCE MAJEURE. Rahco Rubber shall not be liable for any failure to perform resulting from acts of God, labor disputes, strikes, the shortages of or inability to obtain from anticipated sources adequate materials, components, parts or products, or transportation facilities, or any other event beyond the reasonable control of Rahco Rubber.
6. JURISDICTION. This agreement shall be governed by and construed in accordance with the laws of the State of Illinois.
7. INDEMNIFICATION. Buyer shall, at its expense, defend, indemnify and hold Rahco Rubber and its officers, directors, shareholders, employees, agents and customers harmless from any and all claims, suits, costs, expenses (including attorney's fees), losses, damages or liabilities incurred as a result of or in connection with the products and/or services sold hereunder and any actual or alleged infringement of any patent, copyright, trade secret, trademark or other proprietary right(s) of a third party by any products produced to Buyer-supplied specifications.

906254/3/02759104449