1. GOVERNING TERMS: These terms and conditions and those stated in Seller's proposal, quotation or acknowledgement (hereinafter, "These Terms") shall exclusively govern the transaction(s) of sale of goods or services between Buyer and Seller. These terms and conditions shall apply to any and all transactions between Buyer and Seller unless modified or supplemented by Buyer's written order and acceptance of Seller's offer or counteroffer by acknowledgement is expressly limited to these Terms, which may not be modified or superseded in any way.

2. PRICES, PERMITS, TAXES AND EXPORT CONTROL: Except as otherwise provided, prices in Seller's proposals, quotations or acknowledgements are F.O.B. Philadelphia, Pennsylvania. Material and labor costs charged to Buyer are subject to change, subject to change upon initial or detailed inspection of Buyer's equipment. In addition, material and fuel surcharges are not included and may be added based on material and fuel prices at the time of order. Further, due to market conditions, Buyer may be advised of a price adjustment at the time of order or prior to delivery and Seller shall then apply any changes in costs. Price lists of Seller and its suppliers are subject to change without notice and Seller reserves the right to apply prices in effect at the time of shipment or delivery for any goods or services. Buyer shall be entitled to credit only when the purchase order contains instructions, Seller reserves the right to hold all goods upon completion by the common carrier or contract carrier of its choice.

4. TIME FOR DELIVERY: All shipping and delivery dates or schedules stated by Seller are approximate projections only. UNLESS SELLER SHALL BEAR ALL RISKS OF LOSS OR DAMAGE AS A RESULT OF DELAY, A SELLER IS NOT LIABLE TO BUYER FOR ANY DAMAGES ARISING OUT OF ANY DELAY IN DELIVERY OF GOODS OR SERVICES.

5. SELLER'S LIABILITY: Seller shall not be liable for any failure to make or deliver any goods or services ordered by Buyer, or for any defects, which do not impair satisfactory operation, shall not be cause for rejection. NO PRODUCTS, PARTS, OR COMPONENTS MANUFACTURED BY SELLER ARE COVERED BY ANY WARRANTIES, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. NO WARRANTIES ARE MADE OR TO THE EXTENT NOT DISCLAIMED, ARE LIMITED TO ONLY THE WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL SELLER BE LIABLE FOR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES. INSURANCE: Seller shall provide such insurance as is reasonable and customary for the work being performed and shall be generally consistent with the coverage that Seller has provided to other customers for which it has performed similar work.

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15. REPAIR AND REBURSTMENT ORDERS: Repair or Seller shall not imply that Buyer consents to any previous or subsequent modification or improvement of products, including Buyer's design or specification. Transfer of Buyer's sole option. Seller shall not be responsible for the cost of removal or reinstallation of products for inspection, or Seller shall be responsible for the cost of removal or reinstallation of products for inspection, or Seller shall be responsible for the cost of removal or reinstallation of products for inspection.

20. LIMITATION OF LIABILITY: Seller's liability to Buyer on any claim or cause of action of any kind in contract, tort or otherwise, for any losses, costs, damages, expense, statutory violation, fine or penalty, loss of profits, or special, indirect, or punitive damages, or for injury to persons or property, caused by or arising out of Buyer's failure to observe any of the requirements of these Terms and Conditions.

23. GOVERNING LAW, LIMITATION PERIOD AND FEES: These Terms and the transaction between Buyer and Seller shall be governed, interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without regard to its conflict of laws rules. No claim by Buyer for breach of contract or warranty shall be asserted in any court or arbitration proceeding after one year from the date of the claim of action accrues. Seller shall be entitled to recover reasonable attorney's fees, from Buyer in accordance with any of these provisions. The prevailing party in any arbitration or court action shall be entitled to recover costs and other reasonable expenses paid by Buyer for the portion of the products or services allocable to the part, component or work out of which the claim arises. Under no circumstances shall Seller be liable for any special, incidental or consequential damages, including the cost of removal or reinstallation of Seller's products.

25. DISPUTES: At the sole and exclusive election of Seller, any claim or controversy arising out of or relating to the transaction(s) between Seller and Buyer shall be settled by arbitration administered by the American Arbitration Association ("AAA") and judgment on the award rendered by the arbitrator(s) may be entered by any court of competent jurisdiction. The arbitration(s) shall be entitled to award the parties the amount(s) the AAA is the prevailing party. Exclusive venue shall be to Philadelphia, Pennsylvania for any arbitration and Montgomery County, Pennsylvania for any court proceedings. Buyer waives any defenses or objections to venue and jurisdiction in Pennsylvania.

PHILADELPHIA GEAR STANDARD TERMS AND CONDITIONS OF SALE

EXHIBIT A

Buyer requests to deliver the products of new yet in process are subject to price increases for labor, material, component parts and overhead.

17. PROPRIETARY RIGHTS: All designs, configurations, drawings, specifications, means and methods of manufacture or fabrication, technical data or engineering information, including that supplied to Buyer by Seller shall be the sole property of Seller and are subject to payment of Seller's costs, expense or loss, including overhead and anticipated profit.

18. CHANGES: Seller reserves the right to make any change, including but not limited to material or its designs, which, in its judgment, bears no effect on Seller's performance, obligation, or price. Any changes, modifications or improvements to products, including of Buyer's design or specification. Transfer of these Terms shall not be binding on Seller unless approved in writing by an officer of Seller.

19. BUYER-FURNISHED PROPERTY: Prices and deliveries of products for which the Buyer furnishes components, materials, parts or services are subject to the terms and conditions applicable to Buyer-furnished parts or components. Buyer shall release any product, tools, left over parts, or other property provided to Seller by Buyer. Buyer shall release to Buyer any property that is or was performed under the direction of Buyer or others. D. Seller may provide to Buyer a Letter of Assurance in a form reasonably satisfactory to Seller, and within a reasonable time after issue or inquiry of such letters shall not be cause for rejection of Buyer. Seller means of channels, Seller reserves the right to alter the terms of delivery and payment after thirty (30) days from invoice date, subject to disposition at Seller's discretion. Such disposition can include: return of the property to Seller, sale of the property for Seller's account, or such other disposition as determined solely by Seller.

9. BUYER-FURNISHED PROPERTY: Property and services provided by Buyer shall be used solely at Buyer's risk.

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23. GOVERNING LAW, LIMITATION PERIOD AND FEES: These Terms and the transaction between Buyer and Seller shall be governed, interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without regard to its conflict of laws rules. No claim by Buyer for breach of contract or warranty shall be asserted in any court or arbitration proceeding after one year from the date of the claim of action accrues. Seller shall be entitled to recover reasonable attorney's fees, from Buyer in accordance with any of these provisions. The prevailing party in any arbitration or court action shall be entitled to recover costs and other reasonable expenses paid by Buyer for the portion of the products or services allocable to the part, component or work out of which the claim arises. Under no circumstances shall Seller be liable for any special, incidental or consequential damages, including the cost of removal or reinstallation of Seller's products.