

**EVERSEAL GASKET, INC.
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 the per piece price 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. PAYMENT Purchaser shall pay the agreed amount due on a timely basis. Amount overdue shall bear interest at 1.5% per month.

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. Charges in the event of such late cancellation shall include the total costs of materials, labor and any incidental expenses. Seller is under no duty to mitigate costs by selling to other purchasers or otherwise disposing of materials or other property intended to fill Purchaser's order.

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 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 Purchaser.

12. TOOLING CHARGES. Tooling and set-up charges are not subject to discount and do not constitute a sale of tooling or 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 Seller.

13. COLLECTION COSTS. In the event Seller engages legal counsel to enforce its rights under this Agreement, the Purchaser agrees to pay the court costs and a reasonable attorney's fee to Seller.

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. Purchaser consents to personal jurisdiction and venue in the District Court of Johnson County, Kansas. 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 withdrawal or change by Seller at any time 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.