

## GENERAL TERMS AND CONDITIONS

Acceptance by Sardello, Inc. ("Seller") of any purchaser order ("Order") to purchase products and services (collectively, the "Products") is expressly conditioned upon Buyer's assent to the following terms and conditions (the "Terms and Conditions"), which assent shall be deemed to have been given by Buyer's submission of any such Order:

1. ***Offer and Acceptance:*** ONLY THESE TERMS AND CONDITIONS SHALL GOVERN ORDERS AND DELIVERIES BY SELLER. ANY TERMS AND CONDITIONS INCLUDED IN ANY PURCHASE ORDER OR SIMILAR DOCUMENTATION OF BUYER WHICH OPPOSE, DEVIATE FROM OR ADD TO THESE TERMS AND CONDITIONS SHALL BE VOID AND UNENFORCEABLE UNLESS SELLER HAS DULY APPROVED THE APPLICATION THEREOF IN WRITING. THESE TERMS AND CONDITIONS SHALL APPLY, NOTWITHSTANDING SELLER'S KNOWLEDGE OF TERMS AND CONDITIONS INCLUDED IN ANY PURCHASE ORDER, ACKNOWLEDGMENT, OR SIMILAR DOCUMENTATION OF BUYER WHICH OPPOSE, DEVIATE FROM OR ADD TO THESE TERMS AND CONDITIONS, AND ANY SUCH OTHER TERMS AND CONDITIONS SHALL NOT BE BINDING ON SELLER, WHETHER OR NOT THEY WOULD MATERIALLY ALTER THE ORDER, AND SELLER HEREBY OBJECTS THERETO. THESE TERMS AND CONDITIONS MAY ONLY BE MODIFIED BY A WRITTEN AGREEMENT EXECUTED BY THE DULY AUTHORIZED REPRESENTATIVES OF BUYER AND SELLER.
2. ***Products:*** The term "Product" or "Products" as used herein shall include all of Seller's raw materials, components, intermediate assemblies, tools, engineering, design and/or development work, used in Seller's satisfaction of any Order, and the end products thereof, as well as services rendered by Seller on Buyer's behalf.
3. ***Returns:*** Product returns will be permitted only with prior authorization from Seller, and will be subject to a twenty percent (20%) handling charge. Returns will not be permitted for excess stock, slow moving items, or incorrectly ordered Products.
4. ***Terms of Payment:*** Unless otherwise agreed, Seller's terms of payment are net thirty (30) days from the date of invoice. Invoices paid beyond the agreed terms are subject to a late charge of one percent (1%) per month or the maximum rate allowed by applicable law, whichever is less. All prices quoted are FOB Seller's plant. Notwithstanding anything herein contained, Seller may, at its sole discretion, make delivery conditional upon contemporaneous payment (cash on delivery or bank direct debiting service) or on prepayment.
5. ***Taxes:*** Any tax (other than income taxes of Seller), excise or governmental charge imposed upon the production, sale, use, transportation or importation of, or value added to, the Products sold hereunder shall be paid by Buyer in addition to the purchase price. Buyer shall provide Seller, upon request, with completed exemption certificates for any tax from which Buyer claims exemption.
6. ***Security Interest:*** To secure its payment obligations hereunder, Buyer does hereby grant Seller a security interest in all Products sold subject hereto, which, shall be a purchase

money security interest. Buyer hereby authorizes Seller to file a financing statement in any applicable jurisdiction, which will ensure that Seller has a perfected security interest in such Products. Upon payment in full of the purchase price by Buyer, the security interest created hereby shall be null and void and Seller shall execute any documents that are necessary to release the Products from the security interest provided hereby.

7. **Insolvency of Buyer:** If Buyer ceases to conduct its operations in the normal course of business, including its inability to meet its obligations as they mature, or if any proceeding under the bankruptcy or insolvency laws is brought by or against Buyer, or a receiver for Buyer is appointed or applied for, or an assignment for the benefit of creditors is made by Buyer, Seller may terminate any Order placed by Buyer without liability, and may demand the immediate return of any Products delivered to Buyer for which Buyer has not yet paid.
8. **Delivery and Measurement:** Unless otherwise agreed by the parties, Seller will deliver the Products to a common carrier for delivery to Buyer by railcar or truckload. Title and risk of loss will pass from Seller to Buyer at the point of delivery to the carrier. The quantity of product delivered to Buyer will be determined by industry standard measurement procedures. Buyer will give Seller reasonable notice covering shipments. All shipping information transmitted to Buyer, including shipping and delivery dates, represents only the best estimate of Seller. In the event that delays are encountered by Seller in obtaining equipment, materials and/or services, the shipping schedule will be extended as necessary to accommodate such delays. Seller shall not be liable for direct or consequential loss or damage due to shipment, delivery, etc. If, at Buyer's request, delivery of Products is delayed for longer than one (1) month after notification by Seller that the Products are ready for shipment, Seller, in its sole discretion, may charge Buyer for storage in an amount equal to two percent (2 %) of the price of the Products, for each calendar month for which Seller is so required to store the Products.
9. **Inspection:** Buyer shall immediately inspect and test the Products delivered hereunder, upon receipt for damage in transit or insufficient quantity. Damage in transit and insufficient quantity shall be reported by Buyer in writing to Seller within one (1) week of delivery of the Product. Such report must include a detailed description of the damage and/or quantity. Seller shall in no event be liable for any claim of damage in transit or insufficient quantity, whether based in contract, negligence or other tort, strict liability, breach of warranty or otherwise, if Buyer fails to provide a report within such notification period. Such notice does not entitle Buyer to withhold partial or total payments. Final acceptance or rejection of the Products shall be made by Buyer as promptly as practicable after delivery, except as otherwise mutually agreed to by the parties hereto.
10. **Limited Warranty:** As to all Products sold to Buyer, Seller warrants that such Products are free of any claim of any nature by any third person and that Seller conveys clear title thereto. All Products sold by Seller to Buyer are warranted to be free from defects in material and workmanship for a period of six (6) months from the date of delivery to Buyer, unless such period is otherwise extended by the mutual agreement of the parties hereto, if such Products are used in normal use and service. This warranty shall not apply to normal wear and tear of any Products, nor to any Products which have been subjected

to misuse, abuse, neglect, or accident by any person, or to damage caused by water and dirt present in the fuel, nor to any component not reconditioned by Seller, nor any component improperly installed or serviced by any person other than the Seller. Buyer shall promptly notify Seller of any suspected breach of Seller's warranties and hold the Products for Seller's inspection.

THIS WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ALL OTHER OBLIGATIONS OR LIABILITIES ON THE PART OF SELLER, AND SELLER NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON TO ASSUME FOR IT ANY OTHER LIABILITY IN CONNECTION WITH THE ORDER OF SUCH PRODUCTS.

This warranty does not cover engine parts which are cleaned and repackaged, pursuant to the Seller's parts cleaning business. NO WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHER WARRANTY (WHETHER EXPRESS, IMPLIED OR STATUTORY) IS MADE BY SELLER WITH REGARD TO SUCH CLEANED AND REPACKAGED PARTS.

11. ***Limitation of Liability:*** BUYER'S SOLE AND EXCLUSIVE REMEDY AND SELLER'S EXCLUSIVE LIABILITY FOR THE BREACH OF ANY OF SELLER'S WARRANTIES HEREUNDER, STATUTORY OR OTHERWISE, ARE LIMITED TO THE REPLACEMENT OR REPAIR, AT SELLER'S REPAIR SHOP LOCATED AT 1000 CORPORATION DRIVE, ALIQUIPPA, PENNSYLVANIA, OF ANY WARRANTED PRODUCTS RETURNED TO SELLER, TRANSPORTATION COSTS PREPAID, WITHIN THE ABOVE-SPECIFIED TIME PERIOD, WHICH SELLER'S INSPECTION DISCLOSES TO SELLER'S SATISFACTION TO HAVE BEEN DEFECTIVE. THIS REMEDY IS MADE IN LIEU OF ANY AND ALL REMEDIES OTHERWISE PROVIDED UNDER LAW. SELLER SHALL, IN NO EVENT, BE LIABLE TO BUYER FOR LOSS OF PROFITS, INCIDENTAL, DIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OR CONTINGENT LIABILITIES ARISING OUT OF ANY ORDER, WHETHER BASED ON A CLAIM ARISING IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE. THE LIABILITY OF SELLER IS LIMITED TO REPAIRING OR REPLACING THE WARRANTED PRODUCTS IN ACCORDANCE WITH THE STIPULATIONS CONTAINED IN THIS WARRANTY. NO OTHER WARRANTY, EXPRESS OR IMPLIED, IS MADE.
12. ***Excuses for Nonperformance:*** Either Seller or Buyer will be excused from its obligations to the extent that performance is delayed or prevented by any circumstances, (except financial) reasonably beyond its control or by fire, explosion, mechanical breakdown, strikes or other labor trouble, plant shutdown, unavailability of or interference with the usual means of transporting the Products, or compliance with any law, regulation, order, recommendation or request of any governmental authority. In addition, Seller will be so excused in the event it is unable to acquire from its usual sources and on terms it deems to be reasonable, any material for manufacturing or reconditioning the Products. If, because of such circumstances, there should be a

shortage of Products from any of Seller's sources, Seller will not be obligated to purchase Products to fulfill an Order and may apportion its available Products among all its contract customers and its own internal uses in such a manner as Seller finds fair and reasonable.

13. **Compliance with Laws:** The parties hereto agree to comply with all applicable provisions of federal, state, or local laws or ordinances and all lawful orders, rules and regulations issued thereunder related to the performance of their duties and obligations hereunder. The parties shall also comply with any provisions, representations or agreements, or contractual clauses required thereby to be included or incorporated by reference or operation of law in an order.
14. **Notices:** Notice by either Seller or Buyer will be made only by facsimile or similar electronic transmission, effective on the first business day after confirmed receipt, or by letter addressed to the other party at its address shown herein, effective three business days after deposit with the U. S. Postal Service, postage prepaid, or one business day after deposit with a recognized overnight express service.
15. **Assignability:** No Order nor any claim arising directly or indirectly out of or in connection with any Order will be assignable by either party or by operation of law, without the prior written consent of the other party. Notwithstanding the foregoing, either party may assign its rights to an entity which acquires substantially all of its assets or business.
16. **Choice of Law and Venue:** The transaction to which this document relates shall be governed by the laws of the Commonwealth of Pennsylvania. In the event of any dispute between the parties arising out of the transaction, the parties agree and consent to exclusive jurisdiction and venue in the state or federal courts sitting in Allegheny County, Pennsylvania.
17. **General:** No person is authorized to make any oral modification of the Terms and Conditions, and written modifications may be made only by the duly authorized officers of both parties. In the event of any conflict or variance between the terms hereof and Buyer's business terms, these terms shall prevail. In the event that any provision contained herein is held to be invalid or unlawful, such provision shall be severable from the remaining provisions hereof which shall remain in full force and effect. No waiver of any provision hereof shall constitute a waiver of any other provision, and no single provision shall be held to constitute a continuing waiver or a subsequent waiver.