

TERMS AND CONDITIONS OF SALE

This agreement sets forth the terms and conditions of the sale of services and products from Trec Industries, Inc. ("Seller") to ("Buyer").

ACCEPTANCE: Acceptance of orders, whether oral or written, is based on the express condition that Buyer agrees to all of the terms and conditions herein. Seller will only be bound to requirements as expressed on the written purchase order ("Purchase Order") received by Seller. Acceptance of delivery by Buyer will constitute Buyer's agreement to these standard terms and conditions.

CANCELLATION: Any order placed for goods or services and formally accepted, cannot be canceled by Buyer, except upon terms agreeable to Seller that will fully compensate Seller for all expenses incurred up to the date of cancellation.

PRICE: Quotations are open for acceptance thirty (30) days from issuance. After thirty (30) days, prices and terms are subject to change without notice, unless otherwise specified. Orders in which Seller supplies raw materials or components may be subject to a surcharge if the cost of material increases within the thirty (30) day period after the original quotation. Prices are F.O.B. Brooklyn Hts., OH unless otherwise specified. Shipping weight taken at a place of shipment shall govern. All prices are quoted without consideration of taxes, and all taxes applicable to any order placed are additional and shall be paid by Buyer.

CONTINGENCY: Unless expressly specified to the contrary, merchandise will be shipped as per quotation. However, all shipping dates are approximate, and are based upon current availability of materials, present production schedules, and prompt receipt of all necessary information. Seller will not be liable for any damage, loss, fault, or expenses arising out of delays in shipment or other nonperformance of this Agreement caused or imposed by: (1) strikes, fires, disasters, riots, acts of God, (2) acts of Buyer, (3) shortages of labor, fuel, power, materials, supplies, transportation, or manufacturing facilities, (4) governmental action, (5) subcontractor delay, or (6) any other cause or condition beyond Seller's reasonable control.

CREDIT TERMS: All orders and shipments are subject to the approval of Seller's credit department. Seller's terms of payment are net 30 days unless otherwise stated. Seller reserves the right to decline shipment whenever Buyer is overdue or there is doubt as to Buyer's financial responsibility and Seller shall not be liable for breach or non-performance of contract in whole or in part. All Buyers' materials in Seller's possession shall be subject to a general lien for all monies owed us by the Buyer.

CLAIMS: All claims for shortages in count must be made within five (5) days after merchandise is received. Failure by Buyer to give timely notice as per above shall constitute a waiver by the Buyer of all claims in respect of such goods. For Buyer supplied material, a scrap allowance of one piece or two percent (2%), whichever is greater, unless otherwise stated, shall be allowed without charge or liability.

LIABILITY: Seller shall not, under any circumstances, be considered as an insurer of Buyer's material or merchandise and shall not be liable, regardless of cause, for loss by fire, explosion, theft, pilferage, vandalism, casualty or acts of God while such material or merchandise is in our possession. The provisions of this section may be altered or modified only by separate written agreement and any liability Seller assumes will be covered by a separate charge for such coverage. Seller's liability shall be limited to the amount paid by Buyer for any defective or non-conforming goods. Under no circumstances shall Seller be liable for any incidental or consequential damages or for any claims for lost profits. Buyer's sole remedy for any alleged breach of warranty or obligation shall be for Seller, at Seller's option, to replace or repair any defective or non-conforming goods or to refund to Buyer the purchase price of said goods.

WARRANTY: Seller warrants that parts provided were produced to meet Buyer's specifications supplied in writing with the order and that such parts produced shall be free from defect in material or workmanship.

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If the Buyer specifies methods and procedures to be followed, Seller will assume no responsibility for the correctness of such methods and procedures or the result when they are followed. In the absence of full disclosure by the Buyer of the use of material or parts to be processed and finished, Seller assumes no liability for subsequent failures or defects. SELLER MAKES NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, NOR ANY OTHER EXPRESS OR IMPLIED WARRANTY. Buyer assumes all risk and liability resulting from use of the material delivered hereunder, whether used singly or in combination with other products. Seller shall not be liable for incidental or consequential losses, damages or expenses, directly or indirectly arising from the sale, handling or use of the goods, or from any other cause relating thereto.

RETURNS: Any material or merchandise found, upon our inspection, to be improperly supplied by Seller will be reworked or replaced provided:

- a. that notice of defect is given in writing within ten (10) working days from the date of delivery,
 - b. that Seller is given the opportunity to inspect the material or merchandise prior to return,
 - c. that materials or merchandise returned are in the same condition as when originally delivered by us.
- Processing or assembly of any such rejects by you or any other party shall constitute a waiver of liability on our part.

GENERAL CONDITIONS:

- A. Any clerical errors are subject to correction.
- B. Any increase in freight costs of repackaging costs due to Buyer's specifications is to be borne by Buyer.
- C. No agent, salesman or employee of Seller is authorized to bind Seller by any agreement, statement or promise not herein expressed.
- D. The provisions of the Uniform Commercial Code shall govern unless these Terms and Conditions provide to the contrary and all interpretations of the transaction between the parties shall be governed by the laws of our state of domicile.
- E. Any dispute arising from order or sale shall be governed by the laws of the State of Ohio and any litigation must be brought forth through the courts of Cuyahoga County, Ohio.