SEAL DYNAMICS TERMS AND CONDITIONS

Seal Dynamics LLC. ("Company") acceptance of your company's order is expressly conditioned upon your company's assent to the following terms and conditions and in the event any of such terms and conditions conflict with the terms and conditions contained in your company's order, the conflict will be resolved in favor of the terms and conditions contained herein:

1.<u>Conformity</u>. This Invoice acknowledges the type and quantity of goods ordered by your company ("Purchaser") as interpreted by Company. Purchaser's silence indicates Purchaser's acceptance and the correctness of this Invoice. However, if the goods shipped do not conform to the type and quantity ordered as reflected on the face hereof, they will be deemed to have been shipped merely as an **ACCOMMODATION** in an effort to serve the needs of Purchaser.

2.<u>Limitation and Disclaimer of Warranties and Liabilities</u>.

(a)Subject to the provisions and qualifications hereof, Company warrants only to Purchaser that on the date of shipment the Standard Goods (as defined below) sold pursuant hereto will conform to applicable Specifications (as defined below) in effect on the date of shipment. The warranty period will be for a period of twelve (12) months after shipment from Company's applicable plant, unless another period is specified by Company in writing (the "Warranty Period"). For purposes hereof, the term "Standard Goods" means parts specified on Company's then current catalogue as standard parts and then only to the extent Company also issues an Authorized Release Certificate on FAA Form 8130-3 for the part in question. The Term "Goods" means the goods sold pursuant hereto which may also include, without limitation, Standard Goods.The term "Specifications" means, with respect to each Standard Good, the applicable federal aviation ("FAA") parts manufacturer approval pursuant to 14 CFR part 21 § 21.303 ("PMA") for the Standard Good in question, or in the absence of any PMA for the Standard Good in question, then either the PMA for a part which is similar to that Standard Good, or applicable industry specifications relating to that Standard Good, all at the option of and as reasonably determined by Company. Company shall not be liable or responsible for any Standard Goods which do not conform to Specifications if such non-conformity is caused in whole or in part by imperfections which are inherent in the raw materials used to manufacture such goods.Without the prior written consent of Company, Goods sold pursuant hereto are not authorized for use as critical components in life support devices, implements or systems, nor does Purchaser intend to use the Goods for any of such purposes (collectively, "Consentual Purposes"). As used herein, "life support devices, implements or systems" are those which (i) are intended for surgical implant into the body; or (ii) support or sustain life. A "critical component" is any component of a device, implement or system whose failure to perform does or can reasonably be expected to result in injury to person or property or cause a failure in that device, implement or system or affect its safety or effectiveness.b) since each system utilizing components is unique with differing component configurations and attributes and differing requirements and environments, it is hereby acknowledged and agreed that there are many variables affecting the proper selection, use and installation of goods manufactured or sold by Company. These variables must be analyzed on a case by case basis by competent engineers and other appropriate professionals who are familiar with the specific systems in question so that the proper selection, use and installation of such goods can be determined, it being understood that such variables may, among other things, adversely affect performance, ranges and the applications for which such goods were manufactured. It is further acknowledged and agreed that Company has not been specifically engaged to provide any design, engineering or other services to assist in any such determinations or the determination of the adequacy of the system and/or back up systems in which the Goods are to be utilized and Company is not familiar with the specific variables of such systems nor has Company given any advice or made any representations or warranties, express or implied, in connection therewith that Purchaser has relied on. As a result, Purchaser shall be barred from any recovery against Company (including, without limitation, any recovery under the express warranty specified in this paragraph 2(a)) by reason of improper selection, use and/or installation of the Goods and, with respect to the systems in which such Goods are to be utilized, improper system design and/or the inadequacy of back-up systems, and any liability of the Company on account thereof is hereby waived. Further, Purchaser shall also be barred from any recovery under the express warranty specified in paragraph 2(a) on account of the following, and any liability of Company on account of any of the following or the use of related Standard Goods is waived: (i) any Standard Goods which have been subject to accident, negligence, alteration, abuse, tampering, misuse, improper storage (including, without limitation, exposure to weather), improper maintenance or the like; (ii) any Standard Goods which are not used with compatible components and in appropriate environments; (iii) any Standard Goods subject to improper installation;
any Standard Goods which are used outside of applicable service, pressure, temperature, frequency or other ranges or applications for which they were manufactured, as specified by Company; (v) Permissible Defects (as defined below);(vi) use of any Standard Goods in a manner other than that specifically authorized by the applicable PMA, if any; (vii) failure to comply with Performance Conditions; (viii) unreasonable use, improper operation of Standard Goods, use of Standards Goods beyond normal fashion, failure to follow instructions, failure to maintain Standards Goods in good condition and repair, or the like; (ix) use of Non-Standard Parts (as defined below), it being understood that such goods are sold "AS IS"; (x) failures of or defects in Standard Goods caused by another component or other element or influence within or outside of a given system including; and (xi) use of any Goods for Consentual Purposes without the prior written consent of Company. For purposes hereof, the term "Permissible Defects" means deviations from Specifications to the extent of variations and defects defined by the American National Standards Institute [ANSI/ASQC Z1.4- 1993] (the "Standard"). The term "Non-Standard Parts" means Standard Goods which are developmental, experimental, first articles or prototype goods. The term "Performance Conditions" means the conditions and assumptions contained in Company's Data (as defined below) or literature which are required to be satisfied in order for Standard Goods to meet enumerated performance guidelines contained therein. (c)In the event a defect is discovered or should have been discovered from which it is reasonable to conclude that damage, either personal, property or economic, may result, the continued use of the suspect Goods will constitute an assumption of the risk and a bar to any recovery against Company, including, without limitation, any recovery for breach of any express warranty. **(d) PURCHASER'S SOLE AND EXCLUSIVE RIGHTS AND REMEDIES IN CONNECTION WITH THE LIMITED WARRANTY CONTAINED IN PARAGRAPH 2(a) ARE ALSO LIMITED TO THE RIGHTS AND REMEDIES EXPRESSLY SET FORTH IN PARAGRAPH**
3. (e) IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION OF THE EXPRESS TERMS OF PARAGRAPH 2(a). THE EXPRESS WARRANTY SET FORTH IN PARAGRAPH 2(a) AND THE OBLIGATIONS AND LIABILITIES OF COMPANY THEREUNDER ARE EXCLUSIVE AND ARE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ARISING BY OPERATION OF LAW OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, WARRANTIES CONCERNING INFRINGEMENT OR THE LIKE, AND ANY WARRANTIES ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING AND USAGE OF TRADE. It is hereby expressly understood and agreed that unless a statement is specifically identified in this Invoice as a warranty, the statements made in this Invoice relating to the Goods are not express warranties and do not form a part of the basis of the bargain but are merely Company's opinion or commendation of the Goods. Any description of the goods specified in this Invoice and any description of goods contained in any and all brochures, pamphlets or other literature of Company, whether delivered before or after the date hereof, are not intended to be warranties. Instead, they are for the sole purpose of identifying such goods; and such descriptions are not part of the basis of the bargain, and do not constitute a warranty that the Goods shall conform to those descriptions. The use of any sample, model or drawing is for illustrative purposes only, conformity of the Goods to such sample, model or drawing is not part of the basis of the bargain, and is not a warranty that the Goods will conform with the sample, model or drawing. No affirmation of fact or promise made by or on behalf of Company, whether or not in this Invoice, shall constitute a warranty that the Goods will conform to the affirmation or promise. **(f)COMPANY NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON TO ASSUME FOR IT ANY OTHER LIABILITY IN CONNECTION WITH THE SALE OF GOODS HEREUNDER. COMPANY ONLY MAKES THE EXPRESS WARRANTY CONTAINED IN PARAGRAPH 2(a) CONCERNING STANDARD GOODS. COMPANY MAKES NO WARRANTY WHATSOEVER WITH RESPECT TO ANY OTHER GOODS OR GOODS NOT MANUFACTURED BY IT. GOODS FURNISHED BY COMPANY BUT NOT MANUFACTURED BY COMPANY WILL CARRY ONLY THE WARRANTY OF THE MANUFACTURER, IF ANY.** (g)Purchaser hereby represents and warrants to Company that any Goods which Purchaser has expressly or impliedly claimed are to be used on military aircraft or for purposes of the United States military shall in fact be used for such military purposes, and shall under no circumstances be used for any non- military purposes, including, without limitation, use on any commercial or private aircraft. (h)**PURCHASER ACKNOWLEDGES THAT IN NO EVENT SHALL COMPANY BE OBLIGATED TO ENSURE THAT THE GOODS CONFORM TO ANY APPLICABLE INTERNATIONAL LAWS OR ANY U.S. FEDERAL, STATE OR LOCAL LAWS, RULES, OR REGULATIONS (INCUDING, WITHOUT LIMITATION, THE FEDERAL AVIATION ACT OF 1958, AS AMENDED) NOR SHALL COMPANY BE RESPONSIBLE FOR COMPLYING WITH ANY REQUIREMENT IMPOSED BY THE FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION OR ANY OTHER GOVERNMENTAL AUTHORITY, AND COMPANY SHALL HAVE NO LIABILITY IF THE GOODS FAIL TO SO COMPLY.**

3.<u>LIMITATION OF REMEDIES, WAIVER OF CONSEQUENTIAL DAMAGES</u>. (a) EXCEPT AS OTHERWISE EXPRESSLY STATED IN PARAGRAPHS 2(f), 3(b) and 7, COMPANY'S SOLE AND EXCLUSIVE OBLIGATION AND LIABILITY WITH RESPECT TO (i) ANY BREACH OF WARRANTY, EXPRESS OR IMPLIED (UNDER THIS INVOICE OR OTHERWISE) MADE BY COMPANY, (ii) NON-CONFORMITIES OF THE GOODS OR THE TENDER THEREOF, AND/OR (iii) OTHER BREACHES OF ANY OBLIGATION OR DUTY OWED BY COMPANY HEREUNDER OR UNDER APPLICABLE LAW, AND PURCHASER'S SOLE AND EXCLUSIVE RIGHTS AND REMEDIES WITH RESPECT THERETO, SHALL BE LIMITED TO THE REPAIR OR REPLACEMENT, AT COMPANY'S OPTION, OF ANY GOODS SOLD BY COMPANY WHICH MAY PROVE TO BE DEFECTIVE (AND THEN ONLY IF WITHIN THE APPLICABLE WARRANTY PERIOD, IF ANY) OR OTHERWISE NON-CONFORMING AS A DIRECT RESULT OF SUCH BREACH OF WARRANTY, NON-CONFORMITY OR OTHER BREACH. SUBJECT TO THE PROCEDURES SET FORTH BELOW, COMPANY WILL REPAIR OR REPLACE SUCH DEFECTIVE OR NON-CONFORMING GOODS, AS THE CASE MAY BE, FREE OF CHARGE. The following procedures are applicable for defective or non-conforming Standard Goods. In order for Purchaser to be entitled to receive the rights and remedies contained in this paragraph 3 for Standard Goods, Purchaser must, during the Warranty Period, notify Company in writing of the existence of possible defective Standard Goods within thirty (30) days after discovery thereof or the time Purchaser should have discovered such possible defect or else such claims shall be deemed waived. Such notification shall contain a request for a return material authorization ("RMA") from Company, and Purchaser shall comply with Company's then applicable RMA procedures. Within fifteen (15) days after receiving the RMA, Purchaser shall deliver the specified Standard Goods to the applicable plant designated by Company for that purpose, all as stated in the RMA, free of all liens and encumbrances. Company may initially only request a small sample of Standard Goods in the RMA. Of Company determines that the Standard Goods in question are defective, Company will remedy such defects in accordance with this paragraph 3(a). However, if Company determines such goods are not defective or are not covered by the warranties contained in paragraph 2(a), then, to the extent feasible, such non-defective Standard Goods will be returned to Purchaser, at Purchaser's sole cost and expense. In addition, Company shall charge a fee to Purchaser and Purchaser shall promptly pay a fee equal to the costs and expenses of testing and inspecting such goods as incurred by Company. Purchaser shall promptly reimburse Company for the transportation expenses incurred by Company on account of the RMA, if any. Company shall not be liable or responsible for damaged or destroyed Standard Goods as a result of such inspection or testing. Company shall also have no liability or obligation to Purchaser for loss or damage resulting from the testing, repair, replacement, maintenance, loss of use of Standard Goods, removal or subsequent reinstallation of Standard Goods. Company's determination as to whether Standard Goods are defective or are otherwise covered by the express warranty contained in paragraph 2(a) shall be conclusive and binding on Purchaser Purchaser hereby acknowledges and agrees that the notice and time periods specified in this paragraph 3 regarding discovery of defects, shipment of Standard Goods to Company, notification of defectiveness and the time to effectuate remedies are the appropriate, commercially reasonable and fair time and notice periods. **(b) IF AFTER A REASONABLE NUMBER OF ATTEMPTS BY COMPANY TO REMEDY A DEFECT PURSUANT TO PARAGRAPH 3(a) AND THE REMEDY FAILS OF ITS ESSENTIAL PURPOSE OR IS OTHERWISE DEEMED UNCONSCIONABLE OR UNENFORCEABLE IN THE JURISDICTION IN WHICH ENFORCEMENT IS SOUGHT, OR IN THE EVENT REPAIR OR REPLACEMENT IS NOT APPROPRIATE OR PRACTICAL AS DETERMINED BY COMPANY IN ITS SOLE AND ABSOLUTE DISCRETION, PURCHASER SHALL, AT ITS OPTION, EITHER RECEIVE (i) A REFUND OF THE PURCHASE PRICE FOR THE DEFECTIVE OR NON-CONFORMING GOODS; OR (ii) A CREDIT IN AN AMOUNT EQUAL TO THE PURCHASE PRICE OF SUCH GOODS, IT BEING UNDERSTOOD THAT THE REMEDIES STATED IN THIS PARAGRAPH 3(b) SHALL THEN BE PURCHASER'S SOLE AND EXCLUSIVE REMEDY. PURCHASER'S RIGHTS AND REMEDIES PROVIDED IN PARAGRAPHS 3(a) AND 3(b), AND IF APPLICABLE, PARAGRAPH 7 FOR THE MATTERS STATED THEREIN, SHALL BE PURCHASER'S SOLE AND EXCLUSIVE RIGHTS AND REMEDIES HEREUNDER AND ARE EXPRESSLY MADE IN SUBSTITUTION OF ANY AND ALL RIGHTS AND REMEDIES OTHERWISE PROVIDED UNDER APPLICABLE LAW.** (c)In addition to Company's rights under section 2-508 of the UCC, Company shall have the right to cure all non-conformities of Goods and the tender thereof without regard to whether Company had reasonable grounds for believing that the tender or non-conformities would be acceptable. Company shall have such right to cure even if Company's time to do so pursuant hereto extends beyond the initial time for performance hereunder. The parties acknowledge and agree that, to the extent this Invoice refers to more than one delivery, this Invoice is, and shall be deemed to be, an installment contract within the meaning of section 2-612 of the UCC and the parties rights and obligations hereunder shall be construed in accordance therewith, even if it is determined that this is a unitary contract with several deliveries. **(d) THE MAXIMUM LIABILITY OF COMPANY ARISING OUT OF OR RELATING TO THE SALE OF GOODS EVIDENCED BY THIS INVOICE SHALL BE LIMITED TO THE PURCHASE PRICE OF THE GOODS SOLD HEREUNDER TO THE EXTENT ACTUALLY PAID FOR BY PURCHASER AND RECEIVED BY COMPANY. (IN THAT REGARD, PURCHASER HEREBY ACKNOWLEDGES THAT SUCH LIMITATION OF LIABILITY IS NOT SUBJECT TO THE PROVISIONS OF UCC SECTIONS 2-718, 2-719(1)(b) OR 2-719(2), AND IF AND TO THE EXTENT SUCH SECTIONS MAY BE APPLICABLE, WAIVES APPLICATION OF SUCH.) UNDER NO CIRCUMSTANCES SHALL COMPANY BE LIABLE TO PURCHASER OR ANY OTHER PERSON FOR ANY (i) DAMAGES ARISING OUT OF OR RELATING TO PERMISSIBLE DEFECTS UNDER THE STANDARD; OR (ii) CONSEQUENTIAL, EXEMPLARY, INCIDENTAL, INDIRECT OR SPECIAL DAMAGES, OR LOST PROFITS, EXPENSES OR LOSSES DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO ANY (1) BREACH OF WARRANTY, EXPRESS OR IMPLIED, UNDER THIS INVOICE OR OTHERWISE; (2) DEFECTIVE OR NON- CONFORMING GOODS OR ANY NON-CONFORMITY IN THE TENDER THEREOF; OR (3) OTHER BREACH OF ANY OBLIGATION OR DUTY OWED BY COMPANY HEREUNDER OR UNDER APPLICABLE LAW, REGARDLESS OF WHETHER THE LIABILITY RESULTED FROM ANY GENERAL OR PARTICULAR REQUIREMENT OR NEED WHICH COMPANY KNEW OR SHOULD HAVE KNOWN OF, IT BEING EXPRESSLY UNDERSTOOD THAT PURCHASER'S ONLY REMEDY SHALL BE THE REPAIR OR REPLACEMENT OR A REFUND OR CREDIT OF THE PURCHASE PRICE THEREFOR IN THE MANNER AND ONLY TO THE EXTENT SPECIFIED IN PARAGRAPHS 3(a), 3(b) OR 7, AS THE CASE MAY BE. IN THE EVENT THAT ANY OTHER TERM OF THIS AGREEMENT IS FOUND UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, OR ANY EXCLUSIVE REMEDY FAILS OF ITS ESSENTIAL PURPOSE, THIS PROVISION OF WAIVER BY AGREEMENT OF CONSEQUENTIAL DAMAGES SHALL NEVERTHELESS CONTINUE IN FULL FORCE AND EFFECT.**

4.<u>Delivery; risk of loss and related matters</u>. (a) Shipping dates are approximate and are based upon prompt receipt of all necessary documentation and information. Unless another mercantile symbol is utilized on the face of this Invoice, Goods shall be delivered as follows: (i) "f.o.b. Company's plant", as designated on the face hereof for domestic transactions, and "Ex-Works Company's plant", as designated on the face hereof. In either instance, Company is authorized to ship Goods by carrier. Unless otherwise indicated, the "f.o.b." mercantile symbol shall have the meaning ascribed to it under the UCC, and the "Ex-Works" symbol shall have the meaning ascribed to it under the incoterms-2000. Payment shall be due within thirty (30) days after the later of the date of shipment of the Goods in question or the date Company issues an invoice therefor. At Company's option, Company may, for any reason, suspend the credit term specified above for any delivery and may demand cash payment on delivery or impose other payment terms including, without limitation, pre-payments. Notwithstanding anything to the contrary contained herein, in the event the Goods are lost, damaged or destroyed after the risk of loss has passed to the Purchaser while in the possession of a third party carrier ("Carrier"), Purchaser hereby acknowledges the Company's right of action against the Carrier for such loss, damage or destruction of the Goods and hereby agrees to subordinate its right of action against the Carrier for such loss, damage or destruction of the Goods to the Company's right of action against the Carrier. (b) Company shall have the right to deliver the entire order at one time or in portions from time to time within the time of delivery specified in paragraphs 7 and 8. Payment for partial shipments shall be due in accordance with the payment terms specified in paragraph 4(a) after the later of the date of such partial shipment or the date Company issues an invoice therefor. The price for partial shipments will be pro-rated as determined by Company and reflected on its invoice. Any delivery or portion thereof not made in accordance with this Invoice shall not effect any fulfilled parts thereof, nor entitle Purchaser to reject subsequent deliveries, nor entitle Purchaser to off-set any invoices of Company. Notwithstanding the rights of Company contained herein, Purchaser shall not have the right to accelerate, postpone, cancel (other than as provided in Paragraph 7) or otherwise modify the quantity or variety of Goods ordered or the delivery dates therefor, all as specified on the face hereof. If Purchaser attempts to do so, it will be deemed to have repudiated this contract.

<u>Price</u>. Except as otherwise specified on the face hereof, the purchase price for the Goods shall be the list price for such goods as reflected on Company's price list at the time of shipment. In addition to the purchase price, Purchaser shall be responsible for any and all transportation costs, insurance and all applicable federal, state and local sales, use, property, excise and other taxes, duties or governmental charges imposed on or with respect to the Goods, except taxes levied on Company's net income. To the extent permissible, New York state sales tax will not be imposed on goods identified as samples on the face hereof. In the event of new taxes or increased rates which are applicable to the transactions contemplated hereby, the invoice issued to Purchaser shall be subsequently adjusted if necessary and Purchaser shall immediately pay any difference. Notwithstanding any prices specified on the face hereof, Company reserves the right to charge prices prevailing at the time of shipment for goods scheduled to be shipped on this Invoice more than six (6) months from the order entry date on Company's records.

5.<u>Title</u>. Solely for the purpose of reserving a security interest in the Goods, Company retains title to such goods until they are paid in full by Purchaser. Such retention of title by Company shall not effect the passage of risk of loss as specified in paragraph 4.

<u>Delays</u>. Except as otherwise provided in paragraphs 3(c) and 8, Purchaser is entitled to cancel only that portion of any order which is excessively delayed, it being understood that time is <u>not</u> of the essence. Upon such cancellation, Purchaser shall only be entitled to a credit of the purchase price paid to Company for the portion of the order which has been canceled by Purchaser as a result of such excessive delay. Such remedy shall be Purchaser's sole and exclusive remedy with respect to late deliveries, and is expressly made in substitution of all other rights and remedies otherwise provided under applicable law. However, if this remedy is deemed to fail of its essential purpose, paragraph 3(b) shall apply in the alternative. Purchaser acknowledges and agrees that Company shall not be liable or responsible for any resulting back-charges incurred by Purchaser on account of any such delays. To invoke such cancellation, Purchaser must give Company ten (10) days prior written notice thereof provided, however, that (i) the Goods are not specially manufactured, or (ii) Company has not manufactured or shipped the Goods in the interim. In the event the Goods are specially manufactured, Purchaser may invoke such cancellation, provided, however, that Company has not commenced manufacturing, or made commitments for the procurement of the Goods or underlying raw materials.

6.<u>Force Majeure</u>. (a) Notwithstanding any provision herein to the contrary, Company shall not be liable or responsible for any delay in or failure of delivery of the Goods by reason of force majeure, including, but not limited to, Company's inability to obtain raw materials from suppliers or to obtain same on a timely basis, or as a result of interruption of transportation, delays in delivery, governmental regulation, labor disputes, strikes, war, fire, flood, accidents, acts of God, civil disturbance, quota restrictions, unavailability of necessary raw materials or any other cause beyond Company's control, whether or not such cause be of the same class or kind as those enumerated above, such enumeration being expressly understood to be in addition to other causes or classes of causes beyond Company's control. In the event of the occurrence of any such causes, Company shall have the right to allocate production and deliveries among its customers in such proportions as it deems appropriate, in its sole and absolute discretion. (b) In the event Company is unable to make timely delivery of all or a portion of the Goods, by reason of any events or occurrences referred to in this paragraph 8, Purchaser must accept delivery of the Goods whenever Company is able to make such delivery regardless of the duration of the delay in delivery of the Goods, or Company may, in its sole and absolute discretion, cancel the undelivered portion of this Invoice without liability.

7.<u>Limitation of Action</u>. No action or proceeding at law, in equity or otherwise shall be commenced by Purchaser against Company for Company's alleged breach of warranty (express or implied) under this Invoice or otherwise, failure to deliver conforming goods or other breach of any obligation or duty owed by Company hereunder or under applicable law, unless: (i) Purchaser notifies Company in writing at the address specified in this Invoice within thirty (30) days from the date of such alleged breach or failure to deliver conforming goods, provided Company does not remedy or correct the breach or non-conformity within sixty (60) days from the receipt of the notice; and (ii) such action or proceeding is commenced by Purchaser within twelve (12) months from the date the breach or non-conformity occurs for any action whether in contract, negligence or strict products liability, other than breach of warranty, regardless of the Purchaser's lack of knowledge or, in the event of breach of warranty, within twelve (12) months from the date the breach occurs or from the expiration of the Warranty Period, whichever occurs first. Notwithstanding the foregoing, nothing contained in this paragraph shall be construed to abridge or limit the express warranty contained in paragraph 2 hereof.

8. <u>Design Protection</u>. Other than with respect to unmodified designs submitted by Purchaser, Purchaser has no right, title or interest in or to the designs of the Goods, Specifications and other specifications, designs and technical information furnished by Company or supplied by Purchaser and modified by Company (collectively, "Designs"), or the proprietary information or intellectual property rights contained in any of the foregoing by reason of the sale of such Goods or otherwise. Purchaser agrees not to directly or indirectly copy or reproduce any such Specifications and Designs and the related intellectual property rights (collectively "Company Documents"), and further agrees that it will not disassemble, decompile or reverse engineer the Goods or otherwise misappropriate or utilize the Company Documents. The Company Documents shall be kept confidential by Purchaser and Purchaser shall not disclose same to any third party, nor shall same be used by Purchaser for any purpose other than to assist Company in supplying the Goods. All Company Documents and related intellectual property rights shall be and remain the exclusive property of Company and shall be delivered to Company at Company's request. With respect to designs or specifications owned by Purchaser, such ownership shall be exclusive of Company's unique designs, technologies and internal components utilized in meeting Purchaser's design or specifications, as the case may be.

9. <u>Interest Charges and Attorneys Fees</u>. Purchaser shall pay interest charges on past due amounts at a rate of the lesser of 1 ½ percent per month or the maximum rate permitted by law. In the event Company refers this Invoice to an attorney for collection, Purchaser shall promptly pay all reasonable legal fees and disbursements incurred by Company in connection therewith.

10.<u>Company's Right of Possession</u>. Purchaser acknowledges and agrees that Company shall have the right, at any time, and from time to time, for credit reasons or because of the occurrence of an Event of Default or Purchaser's default under any other orders or agreements with Company (collectively, "Other Orders"), to withhold shipments in whole or in part hereunder or under Other Orders, and to recall all such goods in transit, retake same, and repossess all such goods which may be stored with Company for Purchaser's account, without the necessity of taking any action and without incurring any liability for exercising its rights hereunder.

11.<u>Completion of Goods on Default</u>. Upon the occurrence of an Event of Default, Company shall have the authority, at its option and without the obligation to do so, to complete the manufacture of Goods. Company shall have the authority to resell the completed Goods in a commercially reasonable manner, and Purchaser shall be liable and responsible for any resulting losses and damages.

12.<u>Insolvency Representation</u>. Purchaser hereby represents and warrants to Company that Purchaser is not insolvent within the meaning of § 1-201(23) of the UCC, and Purchaser hereby acknowledges that it made this representation to Company immediately prior to the first delivery of Goods.

13.<u>Default, Cancellation and Related Matters</u>. The occurrence of one or more of the following events shall constitute an "Event of Default": (i) Purchaser's breach or failure to perform any of its obligations hereunder or under any Other Orders; (ii) Purchaser's breach or misrepresentation of any representation or warranty made by Purchaser hereunder or under any Other Order; (iii) Purchaser makes a general assignment for the benefit of creditors or admits in writing an inability to pay its debts as they mature or takes advantage of, or files under any federal or state insolvency statute or law, including, without limitation, the United States Bankruptcy Code, or consents to the institution of proceedings or the filing of any petition thereunder, or any preceding is filed or commenced against Purchaser under any insolvency statute or law which is not stayed and dismissed promptly, or any substantial part of the properties of Purchaser are placed in the control of a receiver, custodian, trustee or similar official, or Purchaser consents to the appointment thereof; (iv) prohibition of Company by any cease and desist order, injunction, or other valid order, decree, process of law, or restraint from shipping, selling, exporting or distributing any Goods pursuant to the terms hereof;
(iv) imposition of Damages by Company under paragraph 19(b), as reasonably determined by Company; or (vi) determination by Company, in its sole and absolute discretion, that the prospect of payment, or Purchaser's financial condition, has been impaired or Purchaser may be insolvent within the meaning of § 1-201(23) of the UCC. Upon the occurrence of an Event of Default, Company shall have the sole and absolute right to cancel all or any portion of the Goods ordered pursuant hereto and/or under Other Orders, it being understood that the occurrence of an Event of Default shall constitute a substantial impairment of value to Company of the sale of Goods evidenced by this Invoice. Company shall exercise such right by giving written notice of its intention to do so to Purchaser. Company shall not be liable to Purchaser on account of exercising such cancellation right.

14.<u>Insecurity</u>. In the event Company, in its sole and absolute discretion, believes that an Event of Default has occurred or is likely to occur, then reasonable grounds for insecurity shall be deemed to exist and Company shall have the right to demand adequate assurance of due performance.

15.<u>Choice of Law and Forum</u>. (a) The parties acknowledge and agree that this Invoice shall be a contract made in the United States, State of New York. All questions pertaining to the validity, construction, execution and performance of this Invoice shall be construed and governed in accordance with the domestic laws of the State of New York (including, without limitation, the UCC), without giving effect to principles of (i) comity of nations or (ii) conflicts of law, and this Invoice shall not be governed by the provisions of the U.N. Convention on Contracts for the International Sale of Goods; and (b) any action commenced in connection with this Invoice shall be brought in a federal or state court located in the United States of America, State of New York, County of Suffolk, and to the extent not otherwise subject to the jurisdiction of such courts, Purchaser agrees to waive any objection to such jurisdiction and to subject itself to the jurisdiction of such courts.

16.<u>Cumulative Remedies</u>. All of Company's rights and remedies hereunder shall be cumulative and not exclusive and shall be in addition to all other rights and remedies available under applicable law including, without limitation, the right to withhold delivery, stop delivery, resell and recover damages, recover damages for non-acceptance, an action for the price, cancel this Invoice, and seek incidental and consequential damages, without giving effect to the limitations set forth in Section 1- 106(1) of the UCC, as amended. Failure by Company to exercise any right, remedy or option hereunder or under applicable law, or delay in exercising same, will not operate as a waiver, it being understood that no waiver by Company will be effective unless it is in writing and signed by Company, and then only to the extent specifically stated.

17.<u>Patent Infringements; Patent Indemnity</u>. (a) Company makes no representations or warranties as to whether the Goods furnished by Company hereunder are free from claims of misappropriations of a trade secret or other intellectual or other proprietary rights or if they otherwise infringe or contribute to the infringement of any patents, trademarks, copyrights, trade secrets or other intellectual or other proprietary rights either in the United States of America or any foreign country. Company shall in no way be liable in the event of any such misappropriation or infringement or contribution to infringement.

18.<u>Government Contracts</u>. If Purchaser places any orders for Goods in connection with or under a U.S. Government contract or sub-contract, then, neither the subcontract clauses mandatorily required by applicable U.S. Government procurement regulations to be included in such contract or subcontract nor any other clauses shall be incorporated herein by reference, unless specifically agreed to in writing by Company.

19.<u>Miscellaneous</u>. (a) Integration. This writing is intended by the parties to be a final, complete and exclusive statement of their agreement with respect to the subject matter hereof. All prior or contemporaneous oral or written statements are hereby excluded and are superseded. It is expressly agreed that no course of performance, course of dealing or usage of trade shall be admissible to contradict, supplement or explain the terms of this Invoice. Furthermore, it is expressly agreed that a party's acceptance of or acquiescence in a course of performance under this Invoice shall not be admissible to modify, waive, supplement or explain the terms hereof, even if that party is aware of the course of performance and has an opportunity to object to it. (b) Assignability. This Invoice shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Purchaser shall not have the right to assign its rights, benefits or duties hereunder without the prior written consent of Company. Any assignment in contravention of this provision shall be null and void, and of no legal force or effect.
(c) Export Control. The Goods were exported from the United States in accordance with the Export Administration Regulations. Goods and related Data and specifications will not be re-exported or released to any of the following countries or a national thereof including: Iran, Iraq, Sudan, Syria or any country in Country Groups D:1 or E:2 (as specified in the then current Supplement No. 1 to Part 740 of the U.S. Export Administration Regulations) or other country except in compliance with, and with all licenses, license exceptions and approvals required under, the Export Administration Regulations and all other applicable export laws, rules, restrictions and regulations of the Department of Commerce and other applicable United States agencies and authorities, as amended from time to time. Diversion therefrom contrary to U.S. law is prohibited. This provision shall also apply to direct products of such Data and specifications. (d) Modification or Amendment. This Invoice may not be modified or amended except by an instrument in writing signed by the party or parties against whom enforcement is sought. (e) Notices. All notices made hereunder shall be made in writing, and shall be deemed adequately delivered if delivered by certified mail, return receipt requested, postage pre-paid or by a courier service that regularly maintains records of its pick ups and deliveries, addressed to the parties at their respective addresses set forth above or to any other address designated by a party hereto by written notice of such address change. Mailed notices shall be deemed given when mailed and notices sent by courier shall be deemed given when delivered to the courier service. Both mailed and courier service notices shall be deemed received three (3) days after mailing such notice or delivering it to the courier service, as the case may be. (f) Captions. The headings and subheadings of this Invoice are included for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent, or intent of this Invoice or any provisions hereof. (g) Language Pre-Emption. The parties have requested that this Invoice be drafted in English; Les parties ont exiges que cette entente soit redigee en anglais. (h) Severability. Any term or provision of this Invoice which is invalid or unenforceable in any jurisdiction on account of unconscionability or otherwise, shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Invoice or affecting the validity or enforceability of any of the terms or provisions of this Invoice in any other jurisdiction. Further, to the extent that any term or provision hereof is deemed so invalid, void or otherwise unenforceable, but may be made enforceable by amendment thereto, the parties agree that such amendment may be made so that the same shall, nevertheless, be enforceable to the fullest extent permissible under the laws and public policies applied in any such jurisdiction in which enforcement is sought. (i) Waiver of Breach. Any waiver of any of the provisions of this Invoice shall not be effective unless made in writing and signed by the Company. (j) This paragraph and the following paragraphs 2, 3, 9, 10, 11, 12, 13, 16, 17, 19 and 20 shall survive the consummation, termination and cancellation of this Invoice. (k) Unless Company expressly agrees in writing and such agreement specifically pertains to the Goods (i) Company will not make any change in its customary quality control procedures to comply with any quality control requirement of Purchaser or its customers; and (ii) Company will not furnish any Specifications to Purchaser or its customers. (l) In the event Company issued a quote in connection with the sale of goods evidenced by this Invoice, the terms and conditions of that quote are incorporated by reference herein. However, to the extent there is a conflict between the terms and conditions of this Invoice and the terms and conditions of such quote, the conflict will be resolved in favor of this Invoice. If Purchaser does not agree with the terms and conditions contained herein or if anything herein is incorrect or unacceptable, please advise us immediately in writing. (m) For any purchase orders placed with Seal Dynamics starting July 1 2017, Seal Dynamics' terms and conditions allow to over or under ship individual lines for o-rings, seals, packaging by plus or minus 3% for the quantity of 200 pcs and over.
(Rev Date 07/01/17)