

STANDARD TERMS AND CONDITIONS OF SALE

1. MINIMUMS AND CHARGES: Minimum invoice amount is \$100.00, excluding shipping charges. All parcel post, UPS and equivalent orders are subject to a \$2.00 per package handling charge. All drop shipments (orders billed to buyer, but delivered to another party) are subject to a \$2.00 per order handling charge.

2. DELIVERY AND FREIGHT TERMS: Unless otherwise specifically agreed in writing, all sales are F.O.B., Seller's plant in Federalsburg, Maryland. Seller will prepay and allow full freight on any one shipment lot of products (except pipe and special fabrication items) with a net invoice value of greater than \$1,500 shipped to any one destination within the continental United States (i.e. Alaska and Hawaii excluded). In cases where seller does not allow freight, it will be shipped prepaid and cost of freight added to the invoice, unless Buyer specifically instructs otherwise in writing.

3. ACCEPTANCE AND PRICING: All orders are subject to acceptance by Seller and are accepted subject to strikes, accidents, delays caused by suppliers and other causes beyond Seller's reasonable control. Prices quoted are subject to change without notice, unless otherwise expressly stated in writing by Seller. All prices are in U.S. funds.

4. PAYMENT AND CREDIT: Payment terms are 1% 10 days, Net 30 days. Days are calculated from date of invoice to date monies are received. Invoicing will be no earlier than the date of shipment. If full payment is not received by Seller within thirty (30) days after the date of invoice, interest shall be due and payable on any unpaid balance at the rate published in the Wall Street Journal as the Prime Rate of interest charged by major banks in New York, plus five (5%) percentage points per annum, with a minimum charge of \$10.00 special handling charge. Interest will accrue daily. In the event this rate of interest exceeds the applicable highest legal rate of interest, Buyer will be charged the highest legal rate of interest. If, at any time, in the sole judgment of Seller, the financial condition or creditworthiness of Buyer is or becomes impaired, Seller may change the terms of payment and/or require payment as a condition of shipment, regardless of the terms under which the order was accepted.

5. DAMAGE, LOSS, SHORTAGE: Claims for shortage must be made in writing immediately upon receipt of material. Claims for damage or loss in transit must be made directly to the carrier. All sales are F.O.B. factory; even in cases where freight is prepaid and allowed.

6. COMPLIANCE: If compliance to a specific standard or specification is desired, it must be clearly noted in writing on any inquiry, order or contract.

7. WARRANTIES: Seller expressly warrants that (a) all products manufactured by it will be in accordance with Seller's published specifications, if any, for the product and (b) title will be good and marketable, free of liens and security interests. Any product which is returned to Seller within one year of date of purchase and upon inspection by Seller is found to be not in accordance with these specifications or otherwise defective will be replaced with conforming product. **NO MERCHANDISE MAY BE RETURNED WITHOUT SELLER'S WRITTEN RETURN AUTHORIZATION.** Buyer's sole remedy shall be the replacement of material as stated. **SELLER DISCLAIMS ANY AND ALL IMPLIED WARRANTIES, INCLUDING ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PURPOSE,** even if such purpose has been disclosed to Seller.

8. LIMITATION OF LIABILITY: Buyer's exclusive remedy and Seller's exclusive liability under this contract or otherwise growing out of any transaction between the parties (including for negligence) shall be the replacement of the product which fails to meet the applicable specifications. **IN NO EVENT SHALL SELLER BE LIABLE TO BUYER FOR INCIDENTAL, CONSEQUENTIAL OR INDIRECT DAMAGES OF ANY KIND ARISING FROM OR IN CONNECTION WITH THIS CONTRACT OR ANY PRODUCT SOLD BY SELLER TO BUYER.**

9. APPLICABLE LAW AND FORUM: This agreement and all sales between Seller and Buyer shall be governed by and construed under the statutory and common laws of the State of Maryland, but without regard to its choice of law rules. All actions between Seller and Buyer may be brought only in the Courts of the State of Maryland, and each party submits to the jurisdiction of said court.