

STANDARD TERMS OF SALE

1. TERMS AND CONDITIONS OF SALE: APPLICABLE LAW. The sale referred to on the face hereof or in the invoice (the "sale") shall be subject to only the terms and conditions set forth herein, superseding all other oral or written terms and conditions, notwithstanding any terms and conditions that may be contained in any order, acknowledgement or other form of Buyer. Such terms and conditions of Buyer shall be deemed a counteroffer and shall not bind Seller, which hereby objects thereto. Seller's terms and conditions shall be deemed accepted by Buyer's sending of any order or other form to seller or receipt of goods by Buyer, notwithstanding prior dealings or usage of trade. The sale shall be governed in all respects by the law of the Commonwealth of Pennsylvania and BUYER HEREBY CONSENTS TO JURISDICTION IN ANY FEDERAL OR STATE COURT IN PENNSYLVANIA, VENUE IN MONTGOMERY COUNTY, PENNSYLVANIA.

2. PAYMENT: SECURITY INTEREST. Payment shall be made as set forth on the face hereof, and amounts past due shall bear interest at a rate of 1 1/2% per month (eighteen percent (18%) per annum), payable on demand. Buyer hereby grants to Seller a security interest in the goods sold hereunder, and all proceeds, to secure such payment and all other obligations of Buyer to Seller, whenever arising. Buyer shall execute and deliver all additional documents as Seller may from time to time deem appropriate or necessary in connection with the perfection, continuation or enforcement of such security interest.

3. DELIVERY: FORCE MAJEURE. Buyer's requested delivery date or schedule shall be approximate and subject to Seller's prior written acceptance. Seller shall not be liable for any delays in or failure of delivery or any other performance due to acts of God or public authority, labor disturbances, accidents, fires, floods, extreme or unusual weather conditions, failure of or delays by carriers, shortages or increased price of material, delays of a supplier, or any cause beyond Seller's reasonable control.

4. LIMITED WARRANTY. (a) Seller warrants the goods or services provided by Seller to be free of defects in material and workmanship for (90) days from date of invoice (subject to paragraph 4(b)), BUT NO WARRANTY IS GIVEN WITH RESPECT TO GOODS OR SERVICES MANUFACTURED, SUPPLIED OR PROVIDED (DIRECTLY OR THROUGH SELLER) BY ANOTHER PARTY, WHOSE WARRANTY (IF ANY) SHALL BE THE SOLE WARRANTY AVAILABLE TO BUYER. THE ABOVE WARRANTY COMPRISES SELLER'S SOLE AND ENTIRE WARRANTY OR OBLIGATION IN CONNECTION WITH GOODS OR SERVICES SOLD HEREUNDER. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS, ARE EXPRESSLY EXCLUDED AND DISCLAIMED.

(b) In furtherance of the foregoing, Seller makes no warranty or representation as to the actual performance, capabilities or operation of any system. Seller is not a systems designer or integrator. Any system, including without limitation its performance, capabilities and operation, is the responsibility of the buyer and/or its systems designer or integrator.

(c) Seller's warranty hereunder does not extend to defects or damage not directly due to a defect in material or workmanship caused by Seller, such as (but not limited to) damage in transit, alteration or repair by parties other than Seller, accident, misuse or non-compliance with instructions.

5. SOLE REMEDY. Seller's sole obligation and Buyer's sole remedy, if any, in connection with the sale, under Seller's limited warranty or otherwise, whether in contract or in tort, at law or in equity, shall be the repair or replacement of an item or part of the goods or services which is proved to be other than as warranted, omitted in shipment or non-conforming, but such obligation arises only if Buyer notifies Seller in writing promptly upon receipt, or, in the case of a warranty claim as to a defect not reasonable apparent with the exercise of due diligence at such time, within ten (10) days after such defect becomes apparent, BUT IN NO EVENT AFTER NINETY (90) DAYS FROM THE DATE OF THE INVOICE. At Seller's option, Buyer shall ship defective or non-conforming goods, at Buyer's expense, to a place designated by Seller.

6. LIMITS ON DAMAGES. In no event, whether as a result of breach of contract, negligence of Seller or otherwise, shall Seller be liable for consequential, incidental, special, punitive or other damages arising out of a delay in or failure of delivery, defects in material or workmanship, or otherwise relating to the goods or services provided hereunder, or, in any event, for damages exceeding the purchase price of the goods or services.

7. CHANGES AND CANCELLATIONS. No change in specification, design or otherwise may be made without prior written acceptance by Seller, and if accepted will be subject to cancellation charges and price increases.

8. SPECIAL TOOLS. Any special tools, jigs, dies, patterns, etc., which Seller makes or acquires for Buyer, or which Seller uses, converts or adapts for Buyer, (Special Tools) shall be and remain Seller's property notwithstanding any charges therefor, except to the extent that Seller specifically agrees in writing and Buyer pays the full charge therefor, in which event Seller nevertheless shall retain the right to use the designs and technology pertaining to the Special Tools. Seller shall have the right to alter, discard or otherwise dispose of Special Tools (other than Special Tools which become Buyer's property in accordance herewith) at any time without obligation to Buyer.

9. BUYER'S PROPERTY. Any designs, tools, patterns, materials, drawings, information, equipment or other material furnished by Buyer, or any Special Tools which become Buyer's property in accordance with paragraph 8, shall be collateral for any obligations of Buyer to Seller, and may be retained and/or discarded by Seller upon any breach by Buyer or if for a period of one (1) year no orders are received from Buyer for products to be made with such material. Seller shall not be responsible for loss or damage to such material in the absence of gross negligence.

10. SELLER'S PATENT INDEMNITY. Seller shall have no liability for patent infringement except to the extent that the goods furnished hereunder in and of themselves constitute the infringement. If they do, and Seller is notified of a claim of infringement within ten (10) days after Buyer has knowledge of such claim, Seller will indemnify the buyer against the reasonable expense of defending suit and against any judgment or settlement as to such claim to which Seller agrees, provided that Seller shall have the option of undertaking the defense of such claim (and Buyer shall cooperate at its expense with Seller's defense). In any event, Seller's indemnification for patent or other intellectual property claims shall be limited to the purchase price for the infringing goods. If any injunction is issued against further use of the goods, Seller will have the option of either procuring for the Buyer the right to use the goods, replacing them with non-infringing goods, modifying them so that they become non-infringing, or refunding the purchase price. THE FOREGOING CONSTITUTES SELLER'S ENTIRE AND EXCLUSIVE WARRANTY AND LIABILITY AS TO PATENTS AND OTHER INTELLECTUAL PROPERTY.

11. BUYER'S INDEMNITY. The Buyer will indemnify, defend and save harmless Seller from all claims, liabilities, expenses and losses, including attorneys' fees, incurred in connection with Buyer's use or sale of the goods, including without limitation those arising on account of any claim of infringement of any patent or trademark, or otherwise relating to intellectual property (except to the extent specifically exclusively covered by paragraph 10), including without limitation claims, liabilities, expense and losses, including attorneys' fees, relating to any design, mark or specification furnished or used by or on behalf of Buyer.

12. TAXES. Any sales, use, excise or similar tax which is or may be imposed by any taxing authority upon the manufacture, sale or delivery of goods or services by Seller, or any increase in rate of any such tax now in force, shall be promptly paid by Buyer, and Seller may add any such tax to the sales price.

13. RISK OF LOSS. Risk of loss of the goods shall pass to Buyer immediately upon commencement of shipment to buyer.

14. MISCELLANEOUS. (a) Buyer's obligations hereunder shall not be severable or divisible, notwithstanding the acceptance of, or payment for, partial delivery or any authorization of installment deliveries. (b) No delay or failure on the part of Seller in exercising any right or remedy with respect to the sale and no partial or single exercise thereof shall constitute a waiver of any such or any other right or remedy. (c) If any term hereof shall be illegal, void or unenforceable, the remaining terms and conditions shall continue in full force and effect.

(d) All rights and remedies of Seller with respect to the sale shall be cumulative and not exclusive and shall be in addition to all other rights at law or in equity, whether set forth herein or not.

(e) Buyer shall reimburse Seller or Seller shall recover from Buyer a 33% collection fee in addition to the debt as remuneration for attorneys fees and other expenses incurred by or on behalf of Seller in its enforcement of any rights hereunder. (f) In the event of any conflict between printed terms and terms typed, written or stamped by Seller, the latter shall govern. (g) Any notice to Seller shall be given by certified mail, return receipt requested, to Seller's address set forth herein or otherwise as Seller shall designate. (h) No modification, amendment, rescission, discharge, abandonment, substitution or waiver of the sale or these terms and conditions shall be binding upon Seller unless signed by Seller or its designee. (i) Seller represents that with respect to the production of goods or services covered by this sale it has fully complied with any applicable provisions of the Fair Labor Standards Act as amended. (j) Time is of the essence with respect to Buyer's obligations hereunder.