

VICTOR INSULATORS, INC. TERMS AND CONDITIONSI. CONTRACT. These Terms and Conditions together with a purchase order ("Purchase Order") constitute the entire agreement ("Contract") between Victor Insulators, Inc. ("Seller") and Purchaser (as defined in the Purchase Order) (collectively referred to as the "Parties"). These conditions shall apply to all agreements for the sale of products by the Seller to the Purchaser to the exclusion of all other terms and conditions including any terms or conditions which the Purchaser may seek to apply under any purchase order, order confirmation or similar document. No prior or subsequent agreement between the Purchasers shall modify the Contract unless it is made in writing and signed by the Parties. Acceptance of delivery of the products shall be deemed conclusive evidence of the Purchaser's acceptance of these terms and conditions.

2. ACCEPTANCE. Any proposal for a contract of sale from Seller shall not be considered an offer from Seller. An offer will be in the form of a Purchase Order from Purchaser and subject to acceptance by Seller. Inspection, acceptance or rightful rejection of the products shall be made promptly by Purchaser within ten (10) days after Purchaser's receipt of products. Purchaser shall promptly notify Seller in writing (via facsimile, e-mail or US mail) if Purchaser believes that any products delivered hereunder are properly rejectable and hold such products pending Seller's inspection. Accordingly, no claim for defect, damage or quality will be entertained unless written notice together with all supporting evidence is received by the Seller within 10 days of receipt. After acceptance Purchaser shall not be entitled to reject products which are not in accordance with the Contract.

3. PRICE. Prices are quoted in U.S. Dollars and subject to change without notice. Purchase Orders based on published prices and accepted for scheduled shipment will be invoiced at Seller's applicable price in effect on the scheduled date of shipment. Unless otherwise agree to in writing, Purchaser shall pay, in addition to the agreed upon price, the cost of packaging, freight and insurance and applicable state, Federal, excise, sales and use taxes, or other taxes (if any) now in effect or hereafter levied by reason of this transaction.

4. PAYMENT. Seller will invoice Purchaser once the goods have been shipped. Upon receiving an invoice, Purchaser must pay in full within thirty (30) days. Purchaser agrees to make all payments when due to Seller in accordance with the terms of the Contract with no right of retention or set-off. Seller may charge interest at a rate of 1.5% per month on overdue payments beginning from the due date of payment. Purchaser shall pay Seller's reasonable attorney fees and costs arising out made necessary in the collection of Purchaser's obligations to Seller under this Contract. If payment of the Price or any part thereof is not made by the due date, the Seller shall be entitled to: a) require payment in advance of delivery in relation to any products not previously delivered; b) refuse to make delivery of any undelivered products whether ordered under the contract or not and without incurring any liability whatever to the Purchaser for non-delivery or any delay in delivery; c) terminate the contract.

5. CREDIT. Payment of the Price is strictly cash order unless a credit account has been established with the Seller. The Seller reserves the right to grant, refuse restrict, cancel or alter credit terms at its sole discretion at any time.

6. INSECURITY. Whenever reasonable grounds for insecurity arise with respect to due payment from Purchaser or with respect to Purchaser's financial condition generally, Seller may demand different terms of payment from those specified herein, and may demand additional assurance of Purchaser's due payment. Any such demand may be oral or in writing and Seller may, upon the making of such demand, stop production and suspend shipments hereunder. If within the period stated in such demand, Purchaser fails or refuses to agree to such different terms of payment or fails or refuses to give adequate assurance of due payment, Seller may, at its option, treat such failure or refusal as a repudiation of the portion of the Purchase Order which has not been fully performed or may resume production and may make shipment under reservation of possession or of a security interest and may demand payment in advance of shipment.

7. FORCE MAJEURE. Seller shall not be liable for any delay or failure to perform any of its obligations if the delay or failure results from events or circumstances outside its reasonable control, including but not limited to acts of God, strikes, lock outs, accidents, war, fire, breakdown of plant or machinery or shortage or unavailability of raw materials from a natural source of supply, and Seller shall be entitled to a reasonable extension of its obligations. If the delay persists for such time as Seller considers unreasonable, it may without liability on its part, terminate the contract or any part of it.

8. CANCELLATION. Subject to Seller's approval, Purchaser may cancel a Purchase Order at any time before the product is made by notifying Seller in writing. If the cancellation is approved by Seller, Purchaser agrees to pay Seller on demand a reasonable cancellation charge which takes into account all work done under this agreement, all costs we have incurred and any costs we are committed to pay, and our loss of profit; provided, however, in no even shall the cancellation charge be less than 25% of the invoice value of the products ordered by the Purchaser.

9. VARIATION. Purchaser may request to vary a Purchase Order by notifying Seller in writing. Seller, in its sole discretion, may accept or reject a variation request. If Seller accepts a variation request, Purchaser agrees to cover any increase in costs and liabilities incurred by Seller as a result of the variation. If Seller rejects a variation request, Purchaser may elect to either cancel the Contract or continue under the Contract's original terms.

10. INSPECTIONS; TESTING. Seller's customary inspections and tests apply to the Purchase Order. The cost of any non-customary inspections and/or tests, if requested by Purchaser, shall be paid by the Purchaser. All inspections and test shall be conducted at Seller's facilities.

11. DELIVERY. Unless otherwise agreed in writing, delivery of the products shall take place at the address specified by the Buyer on the date specified by the Seller. Buyer shall make all arrangements necessary to take delivery of the products whenever they are tendered for delivery. The date of delivery specified by the Seller is an estimate only. Time for delivery shall not be of the essence of the contract and while every reasonable effort will be made to comply with such dates compliance is not guaranteed and the Buyer shall have no right to damages or to cancel the order for failure for any cause to meet any delivery date stated. In the event Purchaser fails to take delivery or collect the products in accordance with this agreement, Purchaser must pay on demand Seller's storage and delivery costs. Purchaser has no right to reject goods if they vary from the specifications and that variation is not material to their use or functionality.

12. TITLE; RISK OF LOSS. Title on the products shall not pass to Purchaser until Seller has been paid in full for the products. Risk of loss with respect to the products shall pass to Purchaser upon [TBD][on delivery to common carrier.]

13. WARRANTIES. Seller warrants title to each individual product sold pursuant to the Contract and that the products sold under the Contract will be, at the time of delivery to Purchaser and for a period of [TBD] months thereafter, free from any material defect due to faulty materials and workmanship under conditions for which the goods have been designed and conform to the specifications set forth in the Purchase Order. SELLER MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND NO OTHER WARRANTY, WHETHER EXPRESS, IMPLIED OR OTHERWISE ARISING BY OPERATION OF LAW, COURSE OF DEALING, OR USAGE IN TRADE SHALL EXIST IN CONNECTION WITH SELLER'S PRODUCTS OR ANY USE OR SALE THEREOF. This warranty is only valid if the Purchaser has fully paid for the products under the Contract and if Purchaser promptly provides notice to Seller of its claim within the warranty period. Where the products have been manufactured and supplied to the Seller by a third party, any warranty granted to the Seller in respect of the products shall be passed on to the Purchaser and the Purchaser shall have no other remedy against the Seller. The warranty is not transferable and shall only apply to the original Purchaser and shall not extend to any subsequent purchaser or user. Purchaser's sole remedy for breach of warranty shall be limited to one of the following, as determined solely by Seller: a) have the defective product(s) returned at Seller's cost and refund to Purchaser the price paid under the Contract, or an equitable portion thereof; b) repair the defective good(s) at Seller's own cost; or, c) replace the defective good(s) at Seller's own cost.

14. INDEMNIFICATION. Seller will protect and indemnify Purchaser from and hold them harmless against all liability, losses, damages, costs or expenses of any nature, including reasonable attorney's fees, which they may at any time suffer, incur, or be required to pay resulting from or arising out of (i) any claim that the products are defective, negligently designed or manufactured in any manner, or otherwise determined to be the cause of injury or death to persons, or damage to property, or both; (ii) any claim that the products or the manufacture, sale or labeling of the products fails to comply with any governmental requirement, or the labeling on any products, or on or within the packaging for any products (including any instructions or warnings thereon), is inadequate in any manner; or, (iii) any claim that the products should have been recalled pursuant to any governmental requirement. This indemnification shall not apply if and to the extent that such injury, death or damage is directly caused by any of the following: (a) failure on the part of Purchaser to furnish instruction materials provided by Seller for inclusion in packages in which products are sold; (b) sale of products by Purchaser without packaging where packaging is provided by Seller and where such packaging contains the required labeling and instructions on the use of the product; (c) alteration of any products by Purchaser, its employees, agents, officers, and directors; (d) negligent installation or repair of products by Purchaser or third parties; or (e) negligence or willful misconduct of Purchaser, its employees, agents, officers, and directors.

15. PATENTS. Supplier will protect, indemnify, and hold the Purchaser harmless from and against all liability, losses, damages, costs or expenses which they may at any time suffer, incur or be required to pay by reason of any claim, action, suit, or proceeding that may be brought for damages or injunctive relief based upon any violation or infringement of any patent, trademark, copyright or other intellectual property right by any product sold by Seller to Purchaser. Should any products become the subject of such a claim of infringement, Purchaser shall permit Supplier, at Supplier's option and expense, either to procure for Purchaser the right to continue selling the products, to replace or modify products so that they become non-infringing, or to require return of products in exchange for full credit. Seller shall have no liability to Purchaser with respect to any claim of infringement of any such patent, trademark, copyright or other intellectual property right based solely upon (a) the combination by Purchaser of products sold by Seller with products, equipment or devices not sold by Seller; or (b) products supplied according to a design supplied by Purchaser.

16. LIMITATION OF LIABILITY. UNDER NO CIRCUMSTANCES SHALL SELLER BE LIABLE TO PURCHASER FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES EVEN IF PURCHASER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN ANY EVENT, SELLER'S LIABILITY TO BUYER SHALL NOT EXCEED THE PURCHASE PRICE OF THE PRODUCTS UPON WHICH SUCH LIABILITY IS BASED.

17. MISCELLANEOUS. (a) Headings used herein are for convenience only and shall not be used for interpretive purpose; (b) A party's failure to act with respect to another party's breach of any provision contained herein does not constitute a waiver; (c) If any provision herein is held to be invalid or unenforceable, such provision shall be narrowly construed, if possible, or otherwise deemed ineffective and the remaining provisions shall not be affected; (d) These terms and conditions will survive the termination or expiration of the Contract; (e) Unless otherwise agreed in writing by Seller, Purchaser will not disclose the pricing or other terms of this Contract to any third party; (f) this Contract shall be governed by, and construed in accordance with, the laws of the State of New York (U.S.), and the rights and liabilities of the Parties hereto, including any assignees, shall be determined in accordance with the laws of the State of New York. Any disputes arising out of this Contract shall be brought in a court of competent jurisdiction within the State of New York; (g) any suit, arbitration, mediation or other action to enforce any right or remedy under this agreement, or to interpret any provision of this agreement, the prevailing party will be entitled to recover its costs, including reasonable attorneys' fees, including without limitation costs and fees incurred on appeal or in a bankruptcy or similar action.