



UNITED CENTRAL INDUSTRIAL SUPPLY COMPANY, L.L.C./LUBRICATION EQUIPMENT & SUPPLY COMPANY
TERMS AND CONDITIONS OF SALE

1. ACCEPTANCE – AGREEMENT. United Central Industrial Supply Company, L.L.C./Lubrication Equipment & Supply Company's (UC's) acceptance of any purchase order is limited to Purchaser's agreement to the express terms contained herein. Purchaser's agreement to these terms and conditions shall be conclusively presumed from Purchaser's placement of an order with UC. Any proposal for additional or different terms, or any attempt by Purchaser to vary in any degree any of the terms herein, is hereby objected to and rejected. Any provisions on the face or reverse side of any purchase order which Purchaser may send to UC in connection herewith are for order identification only, are expressly objected to by UC and waived by Purchaser, and made inapplicable to any purchase of UC products and/or services.

2. TERMS OF PAYMENT AND FAILURE TO PAY. Payment is due 30 days from the invoice date in US Dollars, unless otherwise specified herein. If Purchaser fails to pay any invoice when due, or if the financial condition or credit of Purchaser becomes unsatisfactory to UC, UC, at its option and without affecting any other lawful remedy, may change the terms of payment or suspend work and further deliveries, or both, until Purchaser provides security or other assurances for performance as demanded by UC. The failure or refusal of Purchaser to provide assurances within ten (10) days after a request by UC will constitute a repudiation, at UC's discretion, of the entire contract. By submitting any purchase order or other writing, either prior or after the date of UC's quotation, Purchaser represents that it is solvent for all purposes.

3. PRICES – QUOTATIONS. Quotations are subject to change without notice and cover only the specified quantity. Due to conditions affecting prices, UC will accept orders with the understanding that UC reserves the right (with the exception to any price quoted for a special article) to change the price at any time, or from time to time, as to any part of the order then unfilled. Delivery of any part of an order at the price stated thereon shall be without prejudice to UC's right, as stated, to change the price as to any remaining part of the order.

4. TITLE AND RISK OF LOSS. Unless otherwise stated with the order, Purchaser is responsible for any freight costs associated with the delivery of products to its destination. Title and risk of loss will pass to Purchaser upon delivery to the common carrier or upon customer pick-up.

5. TAXES. Any tax, duty or tariff imposed on UC by any law or governmental entity on the sale or use of the products sold by UC shall be in addition to the sales price thereof.

6. DELIVERIES; FORCE MAJEURE. (a) While UC shall try to schedule Purchaser's order for delivery as nearly in accordance with its instructions as possible, UC does not guarantee nor assume liability for failure to meet any delivery dates. (b) UC shall not be liable for failure to deliver products ordered by Purchaser if due to fire, flood, hurricane, riots, war, terrorism, government regulation, shortages of material, qualified labor, or inventory, discontinuance or change in design of ordered products, acts of God, or other similar or dissimilar causes beyond the reasonable control of UC.

7. CANCELLATIONS. Except as hereafter provided regarding services cancelled upon at least sixty (60) calendar days' written notice prior to commencement of the services, cancellation of orders (whether for products or services) once placed with and accepted by UC can be made only with UC's written consent. Orders may be cancelled or deliveries deferred only upon the condition that Purchaser assumes immediate liability and makes payments to UC for (a) all work completed at the unit price; (b) work in progress on the basis of percentage of completion thereof times the order unit price; (c) raw materials, unamortized tooling, engineering and other cancellation charges incurred on the basis of cost to UC, plus handling and overhead charges; and (d) any and all invoices relating to the Order.

With respect to services, Purchaser may cancel the services by written notice to UC at least sixty (60) calendar days prior to the first day of the scheduled service. In the event Purchaser cancels a scheduled service within less than sixty (60) calendar days prior to the first day of the scheduled service, Purchaser shall pay UC a cancellation charge equal to thirty percent (30%) of the proposed price for the scheduled service, in addition to any and all other cancellation charges due under the first paragraph of this Section 7.

All cancellation charges shall be determined at the time of cancellation and are immediately due and payable. Special order non-inventoried items are not eligible for cancellation.

8. DEFERRED DELIVERIES. UC may, but is not obligated to, accept a written request by Purchaser to delay shipment of any ordered products. If delayed shipment is accepted by UC, Purchaser shall pay any additional costs incurred by the delay and the price for the balance of the order shall be adjusted to reflect prices and costs in effect at the time of actual shipment. Any agreed to shipping delay is not to exceed thirty (30) days on that portion of the order which is not then in process or completed on condition that at the expiration of such time definite shipping instructions which meet with UC's approval are given. Should the Purchaser at the expiration of the delay period fail to furnish definite acceptable shipping instructions, UC shall have the right to make a cancellation charge on the same conditions and terms of payment as outlined under "Cancellations."

9. RETURNED GOODS POLICY. UC's prior written consent is required to return products and products may be returned to UC only after a Return Goods Authorization Number has been obtained from UC's customer service department. Requests for the return of products purchased from UC will be considered only if the product is in new, resalable condition and in its original, unmarked packaging. Special order non-inventoried items are not eligible for return. Eligible return items will be subject to restocking charges. Purchaser

remains responsible for payment of any and all invoices relating to products not authorized for return.

10. SHORTAGES. Shortages or differences in shipments must be reported in writing to UC within ten (10) days after receipt of shipment.

11. WARRANTY; LIMITATION OF LIABILITY UC SHALL ENSURE THAT BUYER RECEIVES THE BENEFIT OF ANY AND ALL MANUFACTURER WARRANTIES APPLICABLE TO PRODUCTS SUPPLIED UNDER THIS AGREEMENT, AND UC SHALL PROVIDE BUYER WITH ANY AND ALL DOCUMENTATION RELATING TO MANUFACTURER WARRANTIES AS NEEDED FOR BUYER TO OBTAIN THE BENEFIT THEREOF. UC SHALL ENSURE THAT BUYER RECEIVES THE BENEFIT OF MANUFACTURER WARRANTIES EITHER (1) WHERE THE MANUFACTURER PERMITS ASSIGNMENT OF THE WARRANTIES TO THE END USER OF THE PRODUCTS, BY ASSIGNING TO BUYER THE MANUFACTURER WARRANTIES RELATING TO THE PRODUCTS, OR (2) WHERE THE MANUFACTURER DOES NOT PERMIT ASSIGNMENT OF THE WARRANTIES TO THE END USER OF THE PRODUCTS, BY UC MAKING THE WARRANTY CLAIM UNDER THE MANUFACTURER WARRANTIES DIRECTLY AGAINST THE MANUFACTURER FOR THE BENEFIT OF THE BUYER. UC SHALL ALSO FACILITATE WARRANTY CLAIMS BY BUYER TO THE MANUFACTURER. THIS WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, AT LAW OR IN EQUITY, WITH RESPECT TO PRODUCTS, AND RELATED SERVICES OR LABOR OR THEIR CHARACTERISTICS, QUALITY OR PERFORMANCE, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL SUCH WARRANTIES AND REPRESENTATIONS ARE HEREBY DISCLAIMED.

IN NO EVENT WILL UC BE LIABLE (WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, STATUTORY LIABILITY, OR OTHERWISE) TO THE OTHER FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES INCLUDING LOST PROFITS, LOST REVENUE(S), OR LOST GOODWILL, WHETHER OR NOT THE POSSIBILITY OF SUCH DAMAGES HAS BEEN DISCLOSED OR COULD HAVE BEEN REASONABLY FORESEEN. THE TOTAL LIABILITY OF UC FOR ANY DAMAGES HEREUNDER SHALL BE LIMITED TO THE AMOUNT PAID BY PURCHASER FOR THE PRODUCTS AND/OR SERVICES PURCHASED HEREBY.

Written notice of any claimed defect must be given to UC within thirty (30) days after such defect is or should have been discovered. Products claimed to be defective must be held for UC's shipping instructions. No claim for products alleged to be defective will be allowed until UC has had a reasonable opportunity to examine the products. UC's obligation with respect to defective products is expressly limited to the repair or replacement of, or at its option, allowing credit for any such products, all as herein above provided.

This warranty does not extend to (a) any losses due to misuse, accident, abuse, neglect, normal wear and tear, or improper installation, maintenance or application; (b) products that have been repaired or altered outside of UC's facility, unless authorized in writing by UC or unless such installation, repair or alteration is performed by UC; or (c) any labor charges for removal and/or replacement of the non-conforming or defective product or part thereof. This warranty extends to Purchaser only and not to Purchaser's customers or users of Purchaser's products.

12. DOCUMENTS DISCLAIMER. ANY AND ALL DRAWINGS PROVIDED BY UC ARE NOT ENGINEERING DRAWINGS AND ARE PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY. THEY SHOULD NOT BE USED FOR FABRICATION, MANUFACTURING, PRODUCTION, OR ANY OTHER APPLICATION WITHOUT VERIFICATION BY AN ENGINEER OR OTHER APPROPRIATE DESIGN PROFESSIONAL THAT THEY MEET ANY AND ALL CODES AND ENGINEERING AND OTHER REQUIREMENTS APPLICABLE TO SUCH APPLICATION. UC MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE USE, ACCURACY, CURRENCY, SUITABILITY OR RELIABILITY OF THE DATA PROVIDED IN THE DRAWINGS FOR ANY PURPOSE. THE USER ACCEPTS THE DATA "AS IS", AND ASSUMES ALL RISKS ASSOCIATED WITH ITS USE. UC ASSUMES NO RESPONSIBILITY FOR ACTUAL OR CONSEQUENTIAL DAMAGES INCURRED AS A RESULT OF ANY USER'S RELIANCE ON THE DATA.

13. GOVERNING LAW; VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee, without reference to any conflict of laws principles. Venue for any action shall lie in the federal or state courts of Bristol, Sullivan County, Tennessee, and without regard to the United Nations Convention on the International Sale of Goods or other international treaty, rule or accord.

14. ENTIRE AGREEMENT. These Terms and Conditions of Sale and Purchaser's underlying order to which they relate constitute the entire agreement between the parties. Except as otherwise provided for herein, any changes must be agreed to in writing by UC. No statement, recommendation or assistance made or offered by UC through its salespersons or other representatives to the Purchaser with respect to the use of any product sold by UC shall be or constitute a waiver by UC of any of the provisions hereof.