

## STANDARD TERMS AND CONDITIONS OF SALES OF ADVANCED FLUID SYSTEMS, INC.

1. **AGREEMENT OF SALE:** Acceptance by Seller of this order shall be subject to Seller's Standard Terms and Conditions of Sale and is conditioned upon the Buyer's acceptance of these Standard Terms and Conditions.
2. **TERMS OF CONTRACT:** Any terms or conditions appearing on the Buyer's purchase order or other form which are inconsistent with, or a modification of, or in addition to these STANDARD TERMS AND CONDITIONS, shall not be binding on the Seller and shall not apply to this sale. This Sales Contract and Acknowledgement form shall be deemed a notification and rejection of such inconsistent, additional, and/or different terms. If Buyer will not purchase or Seller's Standard Terms and Conditions of Sale, the Buyer must furnish such a written statement within three (3) days from receipt of the Sales Contract and Acknowledgment or before shipment of goods hereunder, whichever occurs first.
3. **SHIPMENT AND PAYMENTS:** All prices are F.O.B. factory and/or shipping point. No freight is allowed on any shipments. Shipments and deliveries shall be subject to the approval of Seller's Credit Department which may require payment in advance or other assurance that invoices will be paid when due. If Buyer fails to comply with any terms of payment, Seller, in addition to its other rights and remedies, reserves the right to withhold further deliveries, terminate this Agreement, and declare any unpaid amount thereon immediately due for payment. Terms of payment are set forth on the face hereof.
4. **DELAYS AND DEFAULTS:** Delays or defaults in delivery by Seller of the goods shall be excused when caused in whole or in part by fire, strikes, accident, government regulation, or any delays unavoidable or beyond Seller's reasonable control. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL, OR CONTINGENT DAMAGES FROM ANY DEFAULT OR DELAY IN DELIVERY.
5. **NON-CANCELLATION:** Orders are not subject to suspension, reduction, or cancellation, except on terms that will indemnify Seller against loss.
6. **SPECIFICATIONS:** Seller relies on specifications and other data furnished by the Buyer or its agents in all phases of the work covered by the Sales Contract. Seller shall be responsible to check quantities only. Alterations to or changes in specifications, approval or samples, changes in delivery instructions and all other instructions must be submitted in writing to Seller. In the event Seller performs design or engineering at the request of Buyer, contractor, consulting engineer, or representative in any phase of the work covered by this Sales Contract, SELLER SHALL NOT BE RESPONSIBLE FOR ANY DAMAGES CLAIMED BY BUYER AS A RESULT OF ALLEDGED ERRORS OR DEFECTS IN SUCH DESIGN OR ENGINEERING WORK.
7. **FORCE MAJEURE:** Advanced Fluid Systems' performance may be excused or delayed as the result of fire, flood, other acts of God, strikes, work stoppages, accidents, casualties, inability to procure goods and materials from the usual sources of supply, and delays in transportation beyond Advanced Fluid Systems' control.
8. **WARRANTY AND LIMITATION OF LIABILITY:** Seller warrants that the goods supplied have been manufactured in accordance with standard manufacturing practices and extends only those warranties granted by the manufacturers whose goods it distributes. Except as stated herein, SELLER MAKES NO EXPRESS OR IMPLIED WARRANTY WITH RESPECT TO GOODS SUPPLIED BY IT AND SELLER MAKES NO WARRANTY THAT THE GOODS ARE FIT FOR ANY PARTICULAR PURPOSE. When goods not manufactured by companies whose goods Seller distributes are supplied hereunder SELLER MAKES NO EXPRESS OR IMPLIED WARRANTY WITH RESPECT TO SUCH GOODS NOR THAT SUCH GOODS ARE MERCHANTABLE OR FIT FOR ANY PARTICULAR PURPOSE.  
No goods are to be returned to Seller without its written consent, Seller shall not be liable for any expense incurred by Buyer in order to remedy any defect in goods supplied by it. SELLER SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL OR CONTINGENT DAMAGE OR EXPENSE, ARISING DIRECTLY OR INDIRECTLY FROM ANY DEFECT IN OR USE OF ANY DEFECTIVE GOODS. THE REMEDIES SET FORTH HEREIN SHALL CONSTITUTE THE EXCLUSIVE REMEDIES AVAILABLE TO BUYER AND ARE IN LIEU OF ALL OTHER REMEDIES.
9. **SAFETY STANDARDS:** Seller certifies that the goods covered by this Sales Contract will comply with standards under the Occupational Safety and Health Act in effect prior to the manufacture of these goods, provided that such standards relate exclusively to the physical characteristics of the goods and do not relate to the use or circumstances of use, of the goods.
10. **CLAIMS:** Claims for shortage of goods or for mistakes or errors in billing must be presented within ten (10) days from the date of shipment. Any claim not so presented will be conclusively deemed waived.
11. **FAIR LABOR STANDARDS:** All goods covered by this Sales Contract have been produced in conformity with all applicable provisions of the Fair Labor Standards Act of 1938 as amended.
12. **APPLICABLE LAW:** All questions arising out of the Sales Contract, which shall be deemed a Pennsylvania contract, shall be governed by the laws of the State of Pennsylvania.
13. **EXCLUSIVE TERMS:** This Sales Contract shall constitute the complete contract between the parties. No one has authority to depart from the terms and conditions set forth herein, nor to make any representations or arrangements other than those printed hereon unless the same are written on the face of the Sales Contract or are given in writing with it or in pursuance of it, and are fully approved in writing by an officer of the Seller.
14. **LIMITATION FOR SUITS:** Any controversy or claim arising out of or relating to this Sales Contract, or the breach thereof, must be commenced within one (1) year after the cause of action accrued.
15. **TERMS:** Net 30 Days. Service charges of 1% will be applied to delinquent accounts.