

YORK HAVEN FABRICATORS, INC.
TERMS AND CONDITIONS OF SALE (Slst&cFeb14YHF)

Page 1 of 2

1. SCOPE a) All sales by York Haven Fabricators, Inc. (hereinafter "Seller") of materials and/or labor and/or design cost and/or machine time to manufacture, machine or otherwise fabricate items based on Purchaser's drawings, specifications and/or general instructions (hereinafter "Work") to any purchaser (hereinafter "Purchaser") are subject to these Terms and Conditions of Sale which constitute an integral part of any contract for the performance of Work resulting from Seller's offer (the "Quote") being accepted by Purchaser by: 1) Purchaser's issuance of its purchase order referencing and incorporating Seller's quote, subject to Seller's written acceptance; or, 2) Purchaser's acceptance of Work performed by Seller.

2. TERMS OF PAYMENT All Work sold to Purchaser will be invoiced immediately upon completion and/or shipment of Work by Seller. Seller's terms are Net 30 Days based on acceptable credit as determined by Seller. All overdue balances will be subject to an interest charge, based on the total balance due, of the maximum legal limit allowed in that jurisdiction. Purchaser agrees to pay all attorney's fees, court costs and other expenses incurred by Seller in collecting such overdue balances. Full payment prior to shipment may be required if, in Seller's sole judgment, Purchaser's financial condition so warrants.

3. TAXES It is Purchaser's obligation to provide Seller with a valid tax exemption certificate; Purchaser shall be solely responsible for the payment of any excise, privilege, sales and/or use tax applicable to the sale, delivery, installation and/or use of the Work. Purchaser agrees to indemnify Seller for all such liabilities.

4. DELIVERY Delivery dates are good faith estimates only and will be made **F.O.B.** Seller's facility and/or place of origin, to a carrier selected by Seller unless Purchaser specifies use of a particular carrier. **Seller shall not be liable for any direct, consequential, secondary or incidental damages, however arising, due to late delivery.** Risk of loss for the Work shall pass to the Purchaser upon delivery to Purchaser or to any common carrier for delivery to Purchaser. Purchaser shall inspect all Work received for shipping damage and shall immediately report any such damage to the carrier for remedy.

5. CANCELLATION/CHANGES Orders are subject to cancellation or significant change by Purchaser only with the prior, written consent of Seller and upon terms that will fully indemnify Seller, including payment for all inventory on hand which was produced for order, all actual costs incurred for WIP associated with order, including precut or sized materials purchased in advance for the total purchase order quantity, plus 25% fee of WIP costs, and payment of 25% cancellation fee calculated on the balance of order cancelled. In addition, order piece price shall be adjusted to the actual quantity delivered.

6. RETURNS FOR CREDIT Material and/or components provided by Purchaser to Seller which are in excess of the requirements to perform the Work (but not including normal drop, scrap and wastage) may be shipped with the Work or credited to Purchaser's account against future orders, as the parties agree in writing. If there is no written agreement, the parties agree that such material and/or components may be kept by Seller for its own use. Work shipped to Purchaser is not returnable to Seller unless written authorization, in the form of a Return Material Authorization number, is given to the Purchaser by the Seller prior to any such return.

7. LIMITED WARRANTY a) Seller warrants that all Work performed hereunder will be free of defects in material (as furnished by Seller) and workmanship (as performed by Seller) for a period of sixty (60) days from date of shipment by Seller. There is no warranty relating to components, materials and/or labor supplied and/or performed by Purchaser, Purchaser's agents and/or Purchaser's customers or any other third party. b) Seller, at its sole option, will repair or replace, f.o.b. Seller's plant, Work found to be defective in Seller's material and/or Seller's workmanship, but Seller will not be responsible for freight from Purchaser to Seller's plant, for removal and reinstallation labor or for the resolution of any problems outside of the Work performed by Seller. For items determined to be covered by this warranty, replacement Work freight from Seller's plant to Purchaser's location will be prepaid by Seller. c) This limited warranty is contingent on: 1) Purchaser must notify Seller within ten [10] working days after discovery of a defect under this warranty; 2) Purchaser must return the defective Work, freight prepaid, in its original container or one purchased from Seller and must have used its best efforts to pack returned Work properly; 3) Seller's investigation does not disclose any defects due to: Purchaser's or any third person's improper handling, storage, misuse, neglect or unauthorized attempt to repair the Work; damage caused by carriers; or any errors/discrepancies in drawings or specifications furnished to Seller by Buyer.

8. LIMITS OF LIABILITY AND INDEMNIFICATION The limited warranties of Seller set forth herein are in lieu of, and Purchaser hereby waives, all other warranties, express or implied, and all other obligations or liabilities on the part of Seller, which neither assumes, nor authorizes others to assume for it, any other obligation or liability in connection with the warranted Work or any part thereof. **Seller hereby excludes from this order the implied warranty of merchantability and Seller also excludes the implied warranty of fitness for any particular purpose for Work performed hereunder. In no event will Seller be liable for any direct, consequential, secondary or incidental damages, for any reason or however arising under, or associated with, any Work performed hereunder.**

YORK HAVEN FABRICATORS, INC.
TERMS AND CONDITIONS OF SALE (Slst&cFeb14YHF)

Page 2 of 2

9. FORCE MAJEURE Seller shall not be responsible to Purchaser, or to any third party, for any damages caused by events beyond its reasonable control, including, but not limited to: acts of God; acts or omission of any Government in its sovereign or contractual capacity; wars; riots; strikes; unavailability of suitable and sufficient labor or materials or fuel or manufacturing capacity; delays in transportation or communication modes; fires; floods; accidents; quarantine restrictions; customs delays; embargoes; or any other unforeseen event beyond Seller's control.

10. PROPRIETARY RIGHTS Seller agrees that Purchaser retains proprietary rights in and to all product specifications, designs, trade secrets and other proprietary rights relating to the Work, but only to the extent that such proprietary rights are clearly identified to Seller, in writing, prior to any Work being performed.

Purchaser agrees that Seller retains proprietary rights in and all product specifications, data, designs, engineering details, discoveries, patents, trade secrets, and other proprietary rights relating to products based on Seller's drawings, specifications and/or other general instructions. These products are sold by Seller subject in every case to the condition that such sale does not convey any right or license, expressly or by implication, or otherwise, to manufacture, duplicate, or otherwise copy or reproduce the product. If title is to pass on any intellectual property paid for by Purchaser, it must be clearly stated on the face of the quotation or order and will be subject to written acceptance by Seller.

11. GENERAL Any order resulting from Seller's quote shall be governed by the laws of Pennsylvania, U.S.A., and any action arising out of, or related to, such order shall be filed and tried in York or Dauphin Counties, Pennsylvania, and in no other place. In the event that any of the provisions of such order shall be held to be unenforceable, the remaining portions shall remain in full force and effect.

12. BLANKET ORDERS Blanket orders are for a maximum twelve (12) months period and are Non-Cancellable. Purchaser is required to provide firm Release Dates at time of order placement. Purchaser understands that Blanket Orders are shipped IN FULL by the end of their Anniversary Date (i.e. within twelve months). Seller reserves the right to ship 10% under or over the original Blanket Order quantity.

These Terms and Conditions of Sale represent the entire contract between the parties, and all parties agree to be bound by these terms and conditions. No modification, addition to, or waiver hereof shall be effective unless agreed to in writing by Seller. These Terms and Conditions may be updated by Seller, and current version of the terms is available at www.yhfab.com or upon request. Cancellation of this agreement shall not affect the obligations of the Purchaser for previous unpaid obligations to Seller.

Purchaser

Company Name

Signature of Owner/Partner/Corporate Officer

Print Name

Date