

**PRECISION BRUSH COMPANY, INC.
TERMS AND CONDITIONS OF SALE**

1. GOVERNING LAW - Unless otherwise specified by Precision Brush Company, Inc. ("Precision Brush"), all orders are accepted by Precision Brush at its office in Solon, Ohio and shall be governed by and interpreted in accordance with the laws of the State of Ohio.

2. FORCE MAJEURE; APPORTIONMENT - Manufacture, shipment and delivery are subject to, and Precision Brush shall not be liable for any delay in or impairment of performance resulting in whole or in part from, any war (whether or not declared), strike, difference with workmen, accident, fire, flood, Acts of God, delay in transportation, shortage of materials, equipment breakdowns, mill conditions, laws, regulations, orders or acts of any governmental agency or body or any cause beyond the reasonable control of Precision Brush, or if performance by Precision Brush becomes impracticable due to the occurrence of a contingency, the non-occurrence of which was a basic assumption on which the sale was made. In any such event, Precision Brush shall have such additional time to perform as may be reasonably necessary and shall have the right to apportion its production among its customers in such manner as it deems equitable.

3. MODIFICATION OF TERMS - Precision Brush's acceptance of any order is expressly subject to Buyer's assent to each and all of Precision Brush's terms and conditions and Buyer's assent to these terms and conditions shall be conclusively presumed without prompt written objection from Buyer thereto or from Buyer's acceptance of all or any part of the goods ordered. No addition to or modification of said terms and conditions shall be binding upon Precision Brush unless specifically agreed to in writing by Precision Brush. If Buyer's purchase order or other correspondence or written communication contains terms or conditions contrary to or in addition to the terms and conditions of Precision Brush, acceptance of any order by Precision Brush shall not be construed as assent to such contrary or additional terms and conditions or constitute a waiver by Precision Brush of any of its terms and conditions. Any reference to Buyer's purchase order or other correspondence or written communication shall not affect or limit the applicability of Precision Brush's terms and conditions.

4. PRICE -

For F.O.B. Plant Sales - Unless otherwise specified in writing by Precision Brush: (a) all prices, quotations, shipments and deliveries by Precision Brush are F.O.B. Precision Brush's plant; (b) all base prices, together with related extras and deductions, are subject to change without notice and all orders are accepted subject to Precision Brush's price in effect at the time of shipment; and (c) all transportation and other charges are for Buyer's account.

For F.A.S. Vessel Sales - Unless otherwise specified in writing by Precision Brush: (a) all prices, quotations, shipments and deliveries by Precision Brush are F.A.S. Vessel. The price quoted shall include the cost of delivery of the goods alongside an overseas vessel and within reach of its loading tackle or on the dock designated and provided by or for Buyer; (b) all base prices, together with related extras and deductions, are subject to change without notice and all orders are accepted subject to Precision Brush's price in effect at the time of shipment; and (c) unless otherwise agreed in writing, Precision Brush shall be entitled to immediate payment in full for the goods hereunder upon tender to Buyer of a document of title covering the same.

5. CREDIT; DEFAULT IN PAYMENT - All orders and shipments are subject to the approval of Precision Brush's President, and Precision Brush may at any time refuse to make shipment or delivery if Buyer fails to fulfill the terms and conditions of payment or fails to provide security satisfactory to Precision Brush. In the event Buyer fails to make payment on any contract between Buyer or any of its affiliates and Precision Brush in accordance with the terms of such contract, Precision Brush may, at its option and in addition to all other remedies available to it: (a) defer shipments hereunder until such payment is made and satisfactory credit arrangements are established; or (b) cancel the unshipped balance of this order. At Precision Brush's option, interest will be charged after the due date up to the maximum lawful contract interest rate.

6. SETOFF - Precision Brush shall have the right to credit toward the payment of any monies that may become due Precision Brush hereunder any sums which may now or hereafter be owed to Buyer by Precision Brush.

7. TRANSPORTATION - Precision Brush has the right to select the carrier but will use its reasonable efforts to comply with Buyer's requested method of transportation. Precision Brush reserves the right to use an alternate method of transportation, whether or not at a higher cost to Buyer, if the method specified by Buyer is deemed by Precision Brush to be unavailable or otherwise unsatisfactory. In any such case, Precision Brush shall promptly notify Buyer of any such change. Any storage and/or demurrage charges which may accrue on the goods hereunder are for Buyer's account.

8. PACKAGING - Precision Brush will use its reasonable efforts to comply with any special packaging, loading or bracing requirements specified in writing by Buyer in any order. Precision Brush will charge for compliance with Buyer's special requirements in accordance with Precision Brush's price for extras in effect at time of shipment. If no special requirements are specified by Buyer, Precision Brush shall comply with the minimum requirements customarily applied by Precision Brush to the method of transportation used for such goods.

9. DISCLAIMER; LIMITED WARRANTY - NO WARRANTIES, EXPRESS OR IMPLIED (INCLUDING, BUT NOT BY WAY OF LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE), EXIST ON ANY ORDER, EXCEPT THAT PRECISION BRUSH WARRANTS: (A) TITLE TO ALL GOODS FURNISHED BY PRECISION BRUSH; AND (B) ALL GOODS WILL BE MANUFACTURED IN ACCORDANCE WITH THE SPECIFICATIONS, IF ANY, SET FORTH BY BUYER AND AGREED TO IN WRITING BY PRECISION BRUSH, SUBJECT TO PRECISION BRUSH'S STANDARD MANUFACTURING VARIATION.

10. LIMITATION OF BUYER'S REMEDIES - BUYER'S REMEDIES WITH RESPECT TO ANY CLAIM ARISING OUT OF ANY ORDER OR PRECISION BRUSH'S PERFORMANCE IN CONNECTION THEREWITH, INCLUDING, WITHOUT LIMITATION, ANY CLAIM ARISING OUT OF ANY DEFECT OR ALLEGED DEFECT IN ANY GOODS FURNISHED BY PRECISION BRUSH, SHALL BE LIMITED EXCLUSIVELY TO THE RIGHT OF REPLACEMENT OF SUCH GOODS OR, AT PRECISION BRUSH'S OPTION, TO REPAYMENT OF THE PURCHASE PRICE THEREFOR. WITHOUT IN ANY WAY LIMITING THE GENERALITY OF THE FOREGOING, IN NO EVENT SHALL PRECISION BRUSH BE LIABLE FOR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES (INCLUDING, WITHOUT LIMITATION, ANY LOSS OF PRODUCTION OR ANTICIPATED PROFITS) OR LIABILITY INCURRED BY BUYER WITH RESPECT TO ANY GOODS FURNISHED OR TO BE FURNISHED HEREUNDER BY PRECISION BRUSH. IN NO EVENT, REGARDLESS OF THE LEGAL THEORY ON WHICH A REMEDY IS SOUGHT, SHALL PRECISION BRUSH'S LIABILITY EXCEED THE PURCHASE PRICE OF THE GOODS.

11. DAMAGED GOODS - If any goods arrive at Buyer's destination in a damaged condition or a shortage occurs, Buyer shall immediately report the damage or shortage in writing to the delivering carrier and to Precision Brush. Any loss or shortage of goods occasioned by damage, or otherwise occurring in transit, will be for Buyer's account. Precision Brush may elect to assist Buyer in recovering damages, provided Buyer furnishes Precision Brush written authorization to recover damages from Buyer's carrier.

12. QUALITY ASSURANCE SPECIFICATIONS - Precision Brush shall have no obligation to ensure that any goods purchased from Precision Brush meet any special quality assurance specifications or other requirements, except as agreed upon in writing between Buyer and Precision Brush, and Buyer represents and warrants that goods which it purchases from Precision Brush will not be applied by Buyer to or resold by Buyer for application to any critical end use, unless the appropriate specification or other requirement for such end use is set forth by Buyer in writing and is expressly accepted, in writing, by Precision Brush. In the event that any such goods supplied by Precision Brush are applied to a critical end use without the appropriate specification or other requirement therefor having been set forth in writing by Buyer and expressly accepted in writing by Precision Brush as provided above, Buyer shall indemnify and hold Precision Brush harmless from and against any and all damages or claims for damages made by any person for any injury, fatal or nonfatal, to any person, or for any damage to property, incident to or arising out of such application.

13. TAXES - Any tax which Precision Brush may be required to pay or collect, through assessment or otherwise, under any existing or future law upon or with respect to the sale, purchase, delivery, transportation, exportation, storage, processing, use or consumption of any goods described herein, including, without limitation, taxes upon or measured by receipts from sales, shall be for Buyer's account and may be added to the price of such goods. Buyer shall promptly pay the amount thereof to Precision Brush upon demand but may, in lieu of such payment, furnish to Precision Brush evidence of the issuance of tax exemption certificates acceptable to the appropriate taxing authorities.

14. CLAIMS - Buyer must make any claims in writing within ninety (90) days after Buyer's receipt of the goods. Buyer shall set aside, protect and hold such goods without further processing until Precision Brush has an opportunity to inspect and advise of the disposition, if any, to be made of such goods. In no event shall any goods be returned, reworked or scrapped by Buyer without Precision Brush's authorization.

15. TECHNICAL ASSISTANCE - Unless otherwise expressly agreed to in writing by Precision Brush: (a) any technical advice provided by Precision Brush with respect to the use of goods furnished to Buyer shall be without charge; (b) Precision Brush assumes no obligation or liability for any such advice or for any results occurring as a result of the application of such advice; and (c) Buyer shall have sole responsibility for selection and specification of the goods appropriate for the anticipated end use.

16. PERMISSIBLE VARIATIONS - Goods shipped by Precision Brush shall be within Precision Brush's standard variations, and Precision Brush reserves the right to ship overages or underages of quantity of up to ten percent (10%) in accordance with Precision Brush's standard practices.

17. PATENTS - If the terms and conditions of Buyer's written order shall require a patent indemnity and the material covered by such order is to be made in accordance with Precision Brush's specifications, Precision Brush agrees to defend any suit or proceeding brought against Buyer on a claim that the material or any part thereof furnished under Buyer's order constitutes an infringement of any patent of the United States and to pay all direct and actual damages and costs awarded against Buyer therein, provided in all instances that Precision Brush is promptly notified in writing of any such suit and given authority, information, and assistance reasonably necessary for the defense of same. If the material covered by Buyer's written order is to be made in accordance with Buyer's written specifications and any suit or proceeding is brought against Precision Brush on a claim that the material or any part thereof furnished under Buyer's order constitutes an infringement of any patent of the United States, Buyer agrees to defend any such suit or proceeding and to pay all direct and actual damages and costs awarded against Precision Brush therein, provided in all instances that Buyer is promptly notified in writing of such suit and given authority, information, and assistance reasonably necessary for defense of same.

18. ASSIGNMENT - Buyer shall not assign any order or any interest therein without the written consent of Precision Brush. Any actual or attempted assignment without Precision Brush's prior written consent shall entitle Precision Brush to cancel such order upon written notice to Buyer.

19. WAIVER - Precision Brush's waiver of any breach of any terms and conditions set forth herein shall not be construed as a waiver of any other breach, and the failure by Precision Brush to exercise any right arising from any default of Buyer hereunder shall not be deemed a waiver of such right, which may be exercised at any subsequent time.

20. COMPLETE AGREEMENT - Precision Brush's terms and conditions, together with any other documents incorporated herein by reference, constitute the sole and entire agreement between Buyer and Precision Brush with respect to any order, superseding completely any oral, written or other communications unless the terms thereof are agreed to in writing by Precision Brush. No additions to or variations from such terms and conditions, whether contained in Buyer's purchase order, any shipping release or elsewhere, shall be binding upon Precision Brush unless agreed to in writing by Precision Brush.