

Great Lakes Rubber Terms of Sale

1. Terms of Sale. These Standard Terms and Conditions (“Terms”) govern all sales of products (the “Products”) by Seller to Buyer regardless of whether Buyer purchases the Products through the medium of written purchase orders or electronic orders (collectively, “Purchase Orders”). Upon receipt by Buyer of an express acceptance by Seller or upon commencement of performance by Seller, these Terms, the Purchase Order, as modified by Seller's acceptance or order acknowledgment, become a binding contract between Buyer and Seller on the terms reflected in those documents (the “Sales Agreement”). In case of a conflict between these Terms and the Purchase Order, these Terms prevail except where Seller has expressly agreed to the conflicting term in the Purchase Order in its acceptance or order acknowledgment. In case of a conflict between the Purchase Order and Seller's acceptance or order acknowledgment, the acceptance or order acknowledgment prevails.

2. Price. The price of the Products, as set forth in the Purchase Order, does not include sales, use, excise or any other taxes or assessments levied by any federal, state, municipal or other governmental authority, unless Seller expressly agrees otherwise.

3. Payment. Payments must be made to Seller in U.S. dollars within the time period specified on Seller's quote. Payments not received when due must bear interest at the lower of 12 percent per annum or the maximum rate allowed by applicable law. Seller reserves the right to limit or cancel the credit of Buyer, and Seller may require or demand payment or adequate assurances of performance from Buyer prior to taking any preparatory steps for performing the Sales Agreement or beginning the manufacture of the Products.

4. Specifications. Seller must manufacture the Products in substantial conformity with the drawings, data, instructions, samples and specifications, if any, that are provided by Buyer in a timely fashion. All product and product-related specifications are subject to applicable freight classification, Seller's customary manufacturing processes and industry courses of dealing and usages of trade.

5. Packaging. Seller must endeavor to comply with Buyer's packaging specifications, if any, including without limitation, unitizing, palletizing, boxing, and bundling, but Seller reserves the right to substitute any other methods of packaging that is reasonably comparable to the specifications furnished by Buyer, both with respect to costs and to the risk to which the Products are subject.

6. Shipment. Seller must deliver the Products FOB Seller's facility unless otherwise agreed to in writing by Seller. Buyer must pay all transportation costs of the Products unless otherwise agreed to in writing by Seller. Seller may make partial shipments at Buyer's discretion unless otherwise agreed to in writing by Buyer. Seller must endeavor to meet the shipping date specified by Buyer. If Seller is unable to meet that date, Buyer has no claim for damages resulting from any such delay in delivery.

7. Title and Risk of Loss. Title to the Products passes to Buyer when the Products are fully paid for. Seller is not responsible for damage or loss in transit. All risk of loss to the Products passes to Buyer as the Products are loaded onto the carrier. Buyer must obtain adequate insurance to cover the Products from the time risk of loss has passed from Seller.

8. Warranty. Seller warrants that the Products will meet the specifications. THE FOREGOING NOTWITHSTANDING, SELLER IS NOT LIABLE FOR NORMAL MANUFACTURING DEFECTS OR FOR CUSTOMARY VARIATIONS FROM QUANTITIES OR SPECIFICATIONS. UNLESS EXPRESSLY STATED IN THE SALES AGREEMENT, SELLER DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES OF ANY KIND (WHETHER ARISING BY IMPLICATION OR BY OPERATION OF LAW) WITH RESPECT TO THE PRODUCTS, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OR REPRESENTATIONS AS TO MERCHANTABILITY, FITNESS FOR PARTICULAR

PURPOSE OR ANY OTHER MATTER. THIS SECTION SURVIVES THE TERMINATION OR CANCELLATION OF THE SALES AGREEMENT.

9. Conditions of Applicability or Warranty. Seller's warranty of any Product is of no effect if (i) the Product is not stored or handled appropriately, (ii) the defect of the Product resulted from damages occurring after delivery of the Product, (iii) the defect of the Product has not been reported to Seller within thirty days after delivery, or (iv) the defect should have been discovered by Buyer in Buyer's inspection and it is not reported within thirty days after the Product's arrival at the destination.

10. Defective Products. If a Product does not conform to the warranty in §8 and the warranty is not excluded by §9, then Buyer must promptly notify Seller. Upon receipt of a claims report, Seller must either ask Buyer for a sample of the defective Product or schedule an inspection of the defective Product. If Seller determines that the Product does not comply with the warranty provided in §8, then Seller must repair or replace the defective Product at no cost to Buyer. Except as provided in this §10, SUCH REPAIR OR REPLACEMENT IS THE ONLY REMEDY OF BUYER FOR ANY BREACH OF THE WARRANTY PROVIDED BY SELLER IN §8.

11. Returns. No Products may be returned to Seller without providing prompt written notice of that intent and obtaining Seller's prior written consent. Returned Products must be securely packed by Buyer to reach Seller without damage. Buyer is responsible for the costs of returning the Products without being damaged.

12. Liability Limitation. IN NO EVENT IS SELLER RESPONSIBLE TO BUYER FOR ANY INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, ALL DIRECT AND INDIRECT LOST PROFITS, REGARDLESS OF WHETHER THOSE DAMAGES WERE FORESEEABLE.

13. Termination. Buyer may not cancel, terminate for convenience, or direct suspension of manufacture, except on mutually acceptable terms. In the event of a breach by Buyer, Seller may terminate the Sales Agreement upon giving ten days' written notice of termination. If the Sales Agreement is terminated by Seller because of Buyer's breach, Seller is entitled to reasonable reimbursement for any labor, material or other expenses incurred in connection with the Sales Agreement, plus a reasonable amount for overhead and profit.

14. Excusable Delays. Seller is not liable or responsible for delay or failure to perform any of Seller's obligations under the Sales Agreement to make delivery of Products occasioned by (i) any cause beyond its reasonable control, including, but not limited to, a labor dispute, industry disturbance, fires, unusually severe weather conditions, earthquakes, floods, declared or undeclared war, epidemics, computer malfunctions, civil unrest, riots, lack of supplies, delay in transportation, governmental, regulatory or legal action, act of God, or (ii) by acts or omissions of Buyer, including, but not limited to, Buyer's failure to promptly comply with the terms of payment under the Sales Agreement ("Excusable Delays"). The date of delivery must be extended for a period equal to the time lost by reason of any of the Excusable Delays.

15. Indemnification. To the maximum extent allowed by law, Buyer must defend and indemnify Seller and its employees and agents against all sums, costs, liabilities, losses, obligations, suits, actions, damages, penalties, fines, interest and other expenses (including investigation expenses and attorneys' fees) that Seller may incur or be obligated to pay as a result of (i) Buyer's negligence, use, ownership, maintenance, transfer, transportation or disposal of the Products; (ii) any infringement or alleged infringement of the industrial and intellectual property rights of others arising from Buyer's plans, specifications (including Buyer's trademarks and brand names) or production of the Products ordered by Buyer; (iii) Buyer's violation or alleged violation of any federal, state, county or local laws or regulation, including without limitation, the laws and regulations governing product safety, labeling, packaging and labor practices; and (iv) Buyer's breach of the Sales Agreement.

16. Entire Agreement. The Sales Agreement comprises the complete and final agreement between Seller and Buyer and supersedes all prior negotiations, proposals, representations, commitments, understandings or agreements between Seller and Buyer, either written or oral, on its subject. No other agreement, quotation or acknowledgment in any way purporting to modify any of the terms of the Sales Agreement is binding upon Seller unless made in writing and signed by Seller's authorized agent. The Sales Agreement may not be altered or modified except by written agreement of Seller and Buyer. Any other representations or warranties made by any person, including employees or other agents of Seller, that are inconsistent with the Sales Agreement must be disregarded by Buyer and are not binding upon Seller. If any model or sample were shown to Buyer, such model or sample was used merely to illustrate the general type and quality of goods and not to represent that the Products would necessarily conform to the model or sample.

17. Successors and Assigns. The Sales Agreement binds and inures to the benefit of Buyer and Seller and their respective successors and permitted assigns. The Buyer may not assign any interest in, nor delegate any obligation under the Sales Agreement, without Seller's prior written consent.

18. Governing Law. The validity, construction and performance of the Sales Agreement is governed by, and must be construed in accordance with, the law of the state of Michigan, without regard to its conflicts of law provisions. The U.N. Convention on Contracts for the International Sales of Goods does not apply to the Sales Agreement and all of its terms must be construed in accordance with the Uniform Commercial Code as enacted in the state of Michigan.

19. Dispute Resolution. Any dispute in connection with the Sales Agreement must be resolved through binding arbitration in Southfield, Michigan, pursuant to the commercial arbitration rules of the American Arbitration Association. The arbitration proceedings must be conducted in the English language and all submissions must be made in English or with an English translation. Witnesses may provide testimony in a language other than English if simultaneous English translation is provided. The results of any arbitration will be final and non-appealable. The foregoing notwithstanding, Seller reserves the right to invoke the jurisdiction of any competent court to remedy or prevent violation of any provision of the Sales Agreement.

20. Jurisdiction and Venue. Buyer irrevocably submits and agrees to the jurisdiction of the state and federal courts of the state of Michigan in any action, suit or proceeding related to, or in connection with, the Sales Agreement and, to the extent permitted by applicable law, Buyer waives and agrees not to assert as a defense in any such action, suit or proceeding any claim (i) that Buyer is not personally subject to the jurisdiction of the state and federal courts of Michigan; (ii) that the venue of the action, suit or proceeding is improper; (iii) that the action, suit or proceeding is brought in an inconvenient forum; or (iv) that the subject matter of the Sales Agreement may not be enforced in or by the state or federal courts of the state of Michigan.

21. Waiver. The waiver by Seller of any breach by Buyer of any provision of the Sales Agreement may not be construed to be either a waiver of the provision itself as to subsequent application or any other provision of the Sales Agreement.

22. Severability. If any provision of the Sales Agreement is held by a court of competent jurisdiction to be contrary to law or public policy, the remaining provisions of the Sales Agreement remain in full force and effect.

23. Notices. No notice or other communication under the Sales Agreement is sufficient to affect any rights, remedies or obligations of either party unless the notice or communication is in writing and (as elected by the party giving the notice) is (i) personally delivered, (ii) transmitted by facsimile (with a receipt acknowledgment), (iii) transmitted by electronic computer mail, (iv) transmitted by a recognized courier service, or (v) mailed (air mail if international) in registered

or certified form, to the party to which notice or communication is being given at the following address:

(a) If to Seller:

<i>Great Lakes Rubber Company, Inc.</i>	
<i>30573 Beck R, Wixom, MI 48393</i>	
Attention:	<i>D. E. DeMallie</i>
Fax No.:	<i>248-624-4770</i>
E-Mail:	<i>ddemallie@greatlakesrubberco.com</i>

(b) If to Buyer, at its address designated on the face of the Purchase Order.

Except as otherwise specified in the Sales Agreement, all notices or communications are deemed to have been duly given (i) on the date of receipt if delivered personally, (ii) on the date of transmission if delivered by facsimile, (iii) on the date of transmission if transmitted by electronic computer mail, (iv) one day after pickup by courier if delivered by courier, or (v) five days after mailing if delivered by the postal service. Either party may change its address by notice to the other party.

24. Construction. The headings of the Sections in these Terms are provided for convenience only and may not be considered in the interpretation of the Sales Agreement. The parties agree that the provisions of the Sales Agreement may not be construed in favor of or against either party by reason of the extent to which a party or its professional advisors participated in the preparation of the Sales Agreement.

25. Survival. The terms of the Sales Agreement that by their nature are reasonably intended by the parties to survive its expiration or earlier termination, including, but not limited to, §§8, 9, 10, 11, 12, 15, 18, and 19 and this §25, survive the expiration or termination of the Sales Agreement.