

TITFLEX CORPORATION • GASTITE® FLEXIBLE PIPING SYSTEM

TERMS AND CONDITIONS OF SALE

1. This order shall be subject only to the terms and conditions set forth below, notwithstanding any terms and conditions set forth in any order, acknowledgement or other form submitted by the party purchasing the goods ("Buyer"). Buyer shall be deemed to have accepted these terms and conditions by placement of a purchase order hereafter or by any other conduct indicating acceptance. The order is expressly limited to the terms of this offer, and any terms and conditions of the Buyer shall not in any way bind Titeflex Corporation ("Titeflex") unless specifically accepted by it in writing, whether or not Titeflex materially ships this order. This order shall be governed in all respects by the Laws of the Commonwealth of Massachusetts. (Titeflex may, with notice to Buyer, from time to time, change any of these terms and conditions.)

2. All quotations, orders and contracts, including any orders placed with salesmen, representatives or agents, are subject to written approval by Titeflex at its principal office in Springfield, Massachusetts, and it reserves the sole right to revise any errors or omissions. No order may be cancelled, rescheduled or modified, and no breach of any obligation by the Buyer may be waived, without the prior written acceptance of such by Titeflex.

3. Titeflex reserves the right to determine to whom it wishes to sell, and in no event will it open an account with a firm or individual that cannot establish satisfactory credit worthiness. Titeflex reserves the right to require payment of cash on or before delivery whenever it lacks satisfactory assurance of the Buyer's ability to pay or for any other reason, and shall not be liable for non-performance of the contract in whole or in part under such circumstances.

4. Terms: 2% cash discount for payment on the 10th day prox. Net payment due 30 days from invoice date. (Unless otherwise specifically agreed to in writing by Titeflex).

5. Freight will be prepaid to one location on orders of \$4,000 or more net. All shipments are F.O.B. origin unless stated differently on the face of the order or contract. Title of goods shall pass to the Buyer upon delivery to the carrier at the factory, and the Buyer shall file any claims for loss or damage directly with the carrier. Unless otherwise specified by the Buyer, shipments will be made by the route and manner desired most favorable to Titeflex, and Titeflex shall not be responsible for the failure to use any lower rate available. Any premium freight charges will be borne by the Buyer. Any shortage or damaged goods must be noted in detail on the Bill of Lading at time of receipt and signed by the person receiving the material. Customer Service in Springfield, Massachusetts (1-800-662-0208) must be notified within five (5) business days on shortages and/or damaged goods for credit and/or return authorization to be valid.

6. Force Majeure. Titeflex shall not be liable for any delays in manufacture, delivery or performance caused by fire, explosion, earthquake, storm, flood or other adverse weather conditions; strike, combination of workers or other labor difficulty; war; insurrection; nor act of God or the public enemy; law, act, order proclamation, decree, regulation, ruling or ordinance of government or other public authorities; or judgment or decree of a court of competent jurisdiction; or by any other circumstances beyond Titeflex's control.

7. Obligations of the Distributor.

a. Distributor shall purchase and maintain an adequate and representative inventory of the Products to satisfy the reasonable demands of present and potential customers.

b. Distributor shall exercise its best efforts to promote and sell Gastite Products. Distributor shall establish and maintain a sales, service and warehouse facility, and a sales staff knowledgeable about the Products, adequate to perform Distributor's obligations. Distributor shall pay all expenses of conducting its distributorship and shall be solely responsible for providing all equipment, facilities and personnel necessary for the performance of its obligations hereunder.

c. To assure that Distributor and its employees are familiar with proper methods of handling, installation, and use of the Gastite Products, Distributor shall cause its employees to undergo training and testing programs by or under the direction of Titeflex and/or its sales agents. Thereafter, Titeflex shall issue a "Certificate of Training" only to those contractors, installers and other persons who have successfully completed a training and testing program conducted by Titeflex Agent or Distributor and approved by Titeflex and have successfully demonstrated adequate knowledge of the Gastite Product, its installation techniques and local building codes. Distributor shall not under any circumstances sell any Gastite Products to any customer that has not received a Certificate of Training, and shall not under any circumstances sell or otherwise provide any Gastite Product to any company or individual that may be engaged in the "do it yourself" or retail/hardware market. Any violation of the provisions of this Section shall automatically void any express or implied warranty provided by Titeflex with respect to any product, which may directly or indirectly benefit Distributor.

d. Distributor shall pay all Titeflex invoices when due.

e. Distributor shall perform its obligations hereunder in an ethical and businesslike manner. Distributor shall do nothing that would impair the reputation of Titeflex or the Products. Distributor shall comply with all applicable laws, ordinances, rules and regulations of, and obtain all licenses and permits required by federal, state and local government authorities. Distributor shall pay all taxes including without limitation, sales and use taxes, fees, charges and assessments of whatever name and description, imposed by any federal, state or local governmental authority with respect to its activities hereunder.

8. Price. All prices, discounts and conditions of sale are subject to change by Titeflex from time to time with advance notice in writing to Distributor, and all shipments will be billed by Titeflex at prices in effect at the time of shipment. Distributor shall pay for goods purchased in accordance with the terms set forth on Titeflex invoices. Upon failure of Distributor to make any payment when due, Titeflex may defer additional shipments until overdue accounts have been paid. Titeflex may decline to make deliveries except for cash whenever it has reasonable grounds to believe that Distributor's financial responsibility has been impaired. Payment shall be made in United States currency.

9. Returned Merchandise. Gastite Products and materials may be returned to Titeflex only with the prior consent of Titeflex, by issuance of a Returned Material Authorization (RMA) number. Any such Products and materials accepted by Titeflex for return must be returned with all shipping and other applicable charges prepaid by Distributor and marked for easy identification with RMA number. Distributor shall pay all shipping and restocking charges unless otherwise agreed to by Titeflex. Credit for returned Gastite Products and materials may be issued pursuant to Titeflex return policies from time to time in effect and only for such Products and materials found by Titeflex to be in their original condition when shipped by Titeflex.

10. Competitive Products. Distributor shall not, without the prior written consent of Titeflex, at any time during the term of this distributorship, directly or indirectly through an affiliated company or otherwise, distribute CSST products which are competitive with Gastite Products.

11. Warranty. Titeflex warrants its Gastite Products to be free from any defect of workmanship and material. Should any such defects be discovered, the questionable product must be returned to Titeflex. The obligation of Titeflex under this warranty is limited, at Titeflex's discretion, to 1) making a replacement part available, 2) the repair of the defective part, or 3) refund of purchase price. This does not include the furnishing of any labor involved or connected therewith, such as that required to diagnose trouble or to remove or install any such product, nor does it include responsibility for any transportation expenses or any damages or losses incurred in transportation in connection therewith.

This warranty shall not apply to any part or parts of the Gastite Products if they have been installed, altered, repaired or misused, through negligence or otherwise, in a way that in the opinion of Titeflex affects the reliability of or detracts from the performance of the product. Nor does this warranty cover replacements or repairs necessitated by loss or damage resulting from any cause beyond the control of Titeflex, including but not limited to, acts of God, acts of government, floods and fires.

THE FOREGOING IS IN LIEU OF ANY OTHER WARRANTIES, EXPRESSED, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATIONS, THE IMPLIED WARRANTY OF MERCHANTABILITY, AND TITFLEX NEITHER ASSUMES NOR AUTHORIZES ANY PERSON TO ASSUME FOR TITFLEX ANY OTHER OBLIGATION OR LIABILITY IN CONNECTION WITH THE SALE OF ITS PRODUCTS.

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