

LEESE & CO., INC. ("Leese & Co.")
ORDER ACKNOWLEDGEMENT TERMS AND CONDITIONS

1. QUOTE AND ACCEPTANCE

The quote provided by Leese & Co. to a buyer (the "Buyer") should be carefully compared with Buyer's original order. Any terms not specifically set forth in such quotation are deemed objected to.

The Terms and Conditions as herein set forth (the "Terms and Conditions") are incorporated into Leese & Co.'s acceptance and acknowledgment of a Buyer's order (the "Order Acknowledgment"). The Order Acknowledgment is an exact copy of the subject order as accepted by Leese & Co. and entered for processing. Buyer agrees that the Order Acknowledgment, including these Terms and Conditions herein shall constitute the complete and final agreement (these Terms and Conditions herein together with the Order Acknowledgment are hereinafter collectively referred to as the "Contract") between Leese & Co. and Buyer in respect of this order. No waiver, alteration or modification of the Terms and Conditions contained herein shall be binding unless specifically accepted by Leese & Co.'s authorized representative in writing.

2. PAYMENT

All payments shall be in United States currency or in the equivalent thereof. Unless otherwise specified, the net amount due shall be paid in full in accordance with the terms of payment set forth on the face hereof. In the absence of such provisions on the face hereof, the net amount due shall be paid in full within 30 days of the date of invoice with a discount of 2% if paid within 10 days of the date of invoice. Amounts unpaid after 30 days after the due date may accrue interest, at the rate of 1.5% per month (annual rate of 18%) or the maximum legal rate, if less.

3. MARKET PRICE CHANGES

In the event of any market changes in the cost of raw materials beyond the control of Leese & Co. during the manufacturing process for any of the reasons set forth below in section 4 the material prices may be increased to account for the additional cost and Leese & Co. shall give notice of such to Buyer.

4. DELIVERY

Unless otherwise specified on the face hereof, all deliveries shall be F.O.B Origin, Greensburg, Pennsylvania. Manufacture, shipment and delivery shall be subject to any prohibition or regulation imposed by the Federal or any state government or any subdivision or agency thereof. Leese & Co. shall not be liable for any delay or failure to perform in whole or in part, directly or indirectly resulting from or contributed to by acts of God, war, riot, embargoes, acts of civil or military authorities, national emergencies, insurrection, or riots, fires, floods, strikes, work stoppage, accidents, casualties, inability to procure supplies and raw materials, delays in transportation, shortage of cars, or other causes beyond Leese & Co.'s control.

5. CANCELLATIONS

The Contract resulting from the Order Acknowledgment cannot be cancelled, terminated or modified by Buyer in whole or in part, nor shall releases be held up by Buyer after the material is in process, except with Leese & Co.'s consent in writing and then only upon terms and conditions to be agreed upon which shall include protection of Leese & Co. against all losses, including any direct and consequential.

6. CLAIMS/WARRANTIES

Leese & Co. will not allow any allowances, deductions or return of products except by written permission of Leese & Co. Leese & Co. shall not be liable to nor indemnify Buyer or any third parties for any claims, losses, labor, expenses or damages, direct or consequential, resulting directly or indirectly from the performance of this order or the use of, or in ability to use the products sold hereunder, including, without limitation, loss of profits because of increase operating costs, loss of production or shutdown of operation or otherwise and liabilities, claims and damages because of personal injury, death or property damage. The terms which are contained herein constitute the entire agreement of the parties and warranty representations. There are no other representations, warranties, or guarantees which are applicable to the sale of Leese & Co.'s products unless otherwise expressly agreed to in writing.

THE WARRANTY DESCRIBED HEREIN SHALL BE IN LIEU OF ANY OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

7. REMEDIES

(a) Leese & Co. shall have all remedies allowed by law, including the Uniform Commercial Code. Buyer's sole remedy shall be limited to the repair or replacement of defective products or, at Leese & Co.'s option, credit for the original price as set forth in paragraph 6 above.

(b) In case Buyer shall fail to make payments in accordance with the terms as set forth in the Contract, Leese & Co., in addition to its rights and remedies under the law may at its option defer further shipments on this and any other open orders until such payments are made, or may terminate this order and any other open orders, and Buyer shall not have any cause of action or be entitled to any off-set, counter-claim or recoupment against Leese & Co. by reason of any such action.

(c) In the event any third parties are employed to collect any outstanding monies owed by Buyer, Buyer agrees to pay reasonable collection costs, including attorney fees, whether or not litigation has commenced, and all costs of litigation incurred.

(d) No failure of Leese & Co. to insist upon strict compliance by Buyer with these Terms and Conditions, the Order Acknowledgment or to exercise any right accruing from any default of Buyer shall impair Leese & Co.'s rights in case Buyer's default continues or in case of any subsequent default by Buyer.

8. WAIVER

Waiver by Leese & Co. of a breach by the Buyer of any provisions of the Contract shall not be deemed a waiver of future compliance therewith; any such provisions shall remain in full force and effect.

9. FAIR LABOR STANDARDS

Leese & Co. hereby certifies that the goods hereunder were produced in compliance with all applicable requirements of Sections 6, 7, and 12 of the Fair Labor Standards Act as amended and of regulations and orders of the United States Department of Labor issued under section 14 thereof.

10. ENTIRE AGREEMENT

The Order Acknowledgment and these Terms and Conditions constitute the entire agreement between the parties and supersedes any oral or prior agreements or understandings. In the event any provision

of these Terms and Conditions or the Order Acknowledgment is deemed to be invalid or unenforceable the remainder shall not be affected.

11. GOVERNING LAW AND VENUE

The Contract shall be governed by the laws of the Commonwealth of Pennsylvania without giving effect to its conflict of laws provisions. Buyer agrees that any claim, dispute or controversy arising out of or relating to this Contract shall be made or brought solely and exclusively in the state or federal court having jurisdiction over Westmoreland County, Pennsylvania. Buyer hereby consents to personal jurisdiction in said forum.

12. ASSIGNMENT

Buyer shall not assign its rights and obligations under this Contract without the written approval of Leese & Co.

13. NO AMENDMENT

No amendment of this Contract shall be effective unless it is in writing and signed by Leese & Co. and Buyer.

14. WAIVER

All sales shall be subject to these Terms and Conditions. Terms and Conditions are subject to change without notification.