

Quality Seals Standard Terms and Conditions of Sale

4/10/07

We are an ISO 9001:2000 Registered Company

Unless otherwise specified in writing, and agreed upon by Quality Seals in writing, the following terms and conditions apply to all quotations and sales.

LIMITED WARRANTY: Seller warrants to Buyer that the Goods sold by Seller pursuant to this contract (the Goods) will conform to Seller's specifications.

DISCLAIMER OF FURTHER WARRANTIES: Except as set forth above, Seller makes no warranty or representation of any kind, express or implied, including without limitation any warranty of merchantability or fitness of the Goods for any particular purpose, and no warranty or representation shall be implied by law or otherwise.

LIMITATION OF LIABILITY AND REMEDIES: Seller shall not be liable, and Buyer waives all claims against Seller, for special, incidental or consequential damages, whether or not based upon Seller's negligence or breach of warranty or strict liability in tort or any other cause of action. Buyer's exclusive remedy for any cause of action under this contract or in connection with the sale of the Goods is a claim for damages, and in no event will damages or any other recovery of any kind against Seller exceed the price of the specific Goods as to which the claim is made. Seller shall not be liable to Buyer for any loss, damage, or injury to persons or property resulting from the handling, storage, transportation, resale or use of Goods in manufacturing processes, or in combination with other substances, or otherwise.

FORCE MAJEURE: Seller will not be liable for nonperformance or delay in performance due wholly or partly to any event not in its control or not avoidable by reasonable diligence. Upon the occurrence of any such event, Seller may suspend or reduce deliveries during the period of such event, and the total quantity deliverable under this contract will be reduced by the quantities so omitted. The following, while not an exclusive listing, will not be considered events within Seller's control or avoidable by reasonable diligence; labor controversies; court decrees; inability to use the full capacity of plants or facilities as a result of governmental action, machinery malfunctions or breakdowns; fire, flood and other acts of God, and inability to obtain fuel, power, materials necessary to produce the Goods, labor, containers or transportation facilities without litigation or payment of penalties or unreasonable prices, or the acceptance of unreasonable terms and conditions.

PAYMENT: Buyer will make payment to Seller net 30 days from date of invoice. Any credit terms provided by seller may be decreased, cancelled or limited by Seller, both as to time and amount, at any time without notice, and the price of any part of the Goods deliverable under this Contract shall be payable in full in cash before a shipment or on offer of delivery. Buyer shall make no other offsets or deductions (including those for alleged damages) from payments due under this Contract. All amounts due under this Contract are payable at Suite 201, 2444 Morris Ave., Union, NJ 07083. Seller may, regardless of the terms stated on the terms of this Contract require all outstanding accounts to be paid in full on demand in the event that sales to buyer are discontinued for any reason and Buyer shall make payment without offset or deduction. If any amount due seller is not paid when due, a finance charge of one and one-half percent (1-1/2%) per month of the balance (which finance charge equals eighteen (18%) per annum) or the maximum rate allowable by law (whichever rate is less) shall accrue from the due date until paid.

PRICES: All prices are F.O.B. shipping point unless otherwise specified in writing.

DELIVERY: Seller shall make delivery to Buyer F.O.B. shipping point. Accordingly, Buyer shall bear the risk of lost, including insurance, during shipment. Seller will attempt to meet delivery dates requested by Buyer, however, failure to meet a requested delivery date for whatever cause will not result in liability on the Seller's part. Seller shall not be liable or responsible for delays or failures of shipment caused by Buyer or arising from any cause beyond Seller's control: failures of sources of supply or delay in receiving machinery or materials; nor in any event for any consequential or special damages.

TAXES: Unless otherwise specified in writing by Seller, the prices stated in this Contract do not include sales, use, excise, or any other tax, duty, fee or charge which may now or in the future be imposed by any government authority (foreign, federal, state or local) on the production, sale or shipment of the Goods. Buyer shall pay or reimburse Seller for the amount of any such tax, duty, fee or charge (excluding taxes based on Seller's net income).

INCREASED OR DECREASED COSTS: In the event that manufacturing costs of Seller (including, but not limited to, labor and material costs) shall increase by reason of any change or enactment of any federal, state, municipal or other governmental laws or regulations relating to the business of Seller or the manufacture or sale of the Goods, the Buyer shall promptly pay to Seller, such additional amounts as shall be sufficient to reimburse Seller for such increased costs. In the event of a price increase or decrease by the manufacturer for whom the Seller distributes, like increase or decrease will apply to the unit price set forth on the Contract.

INSPECTION AND ACCEPTANCE: Buyer shall inspect and test the goods immediately after each shipment, and within thirty (30) days after its receipt of any shipment and before any part of the Goods (except for reasonable test and inspection quantities) has been changed from its original condition. Buyer shall notify Seller of any matter by which the tender of notice to correct any nonconforming tender and Buyer shall give full cooperation to Seller. Any failure to give notice shall constitute an irrevocable acceptance of the Goods by Buyers, and Buyer shall be bound to pay the price of the Goods. Products or related tooling provided by the Buyer shall be subject to the Seller's inspection, approval and acceptance. Any tooling or repairs or necessary changes to tooling shall be performed at Buyer's expense, which will be added to the price of the first shipment and paid with it. Any such tooling or equipment which is not adaptable to Seller's use at its option will be returned to Buyer at Buyer's expense or, at Seller's option, held for Buyer's account and risk. Samples if furnished shall be approved if Buyer fails to notify Seller at Union, NJ, in writing of disapproval of them within two (2) weeks after shipment. Receipt of products or materials by Buyer shall constitute acceptance of delivery and waiver of all claims for loss or damage due to delay. Buyer's sole and exclusive remedy for any defect or nonconformance shall be the repair or replacement of Seller's product. Notwithstanding any other terms and conditions contained herein, each order of Buyer is subject to acceptance in writing by Seller. AS 568B, ISO Standard 3601 or AS 871A, or other agreed upon specifications, shall be the controlling standards for surface imperfections and size tolerances.

AQL: Unless otherwise specified in writing, AQL is assumed to be 2.5 per sampling plan in ANSI/ASQCZ1.4-1993 for 2.5 AQL.

QUANTITY VARIANCES: Unless otherwise specified herein or in another written agreement signed by Seller, Seller reserves the right to over ship or under ship by ten percent (10%) of the total number of parts ordered by the Buyer.

RETURNS: All sales to Buyer are final. No Goods shall be returned or credit allowed without the Seller's prior written authorization. Authorized returns in good condition may be credited at Seller's discretion at invoice price less twenty percent (20%) to cover handling and service charges and expenses. Any specially ordered or non-stock Goods may not be returned under any circumstances.

GOVERNING LAW: The validity, performance, construction and effect of this Contract will be governed by the laws of The State New Jersey (without regard to principles of conflicts of law).

ARBITRATION: At Seller's option, any claim or controversy arising out of this Contract or the breach hereof shall be settled by arbitration in accordance with the rules of the American Arbitration Association and judgment on any award rendered in such proceedings may be entered in any court having jurisdiction thereof.

COLLECTION: In the event Buyer's account becomes delinquent, Buyer shall pay all of Seller's attorney's fees associated with collection of the accounts plus all attendant collection costs whether litigation is initiated or not.

AMENDMENTS AND EFFECTIVENESS: This Contract is the entire agreement between the parties concerning Buyer's purchase of the Goods from Seller, and all prior and contemporaneous quotations and assignments are merged herein. All amendments hereto and waivers of any rights granted hereunder shall be in writing, assigned by an authorized representative of Seller. All of Buyer's purchases from Seller shall be subject to this Contract and to the terms of Seller's invoices, sales confirmations, statements and its other account documents, and subject to the terms of no other form or document. Subject to any restriction on transfer, this Contract shall bind and benefit the heirs, successors and assigns of the parties. If an arbitrator or court with jurisdiction, determines that any terms of this Contract is unenforceable, the other terms shall remain in full force and effect.

PREVAILING TERMS: Seller's terms of sale shall supplement and complement Buyer's term of purchase, and both shall form the contract. However, if there is a conflict on content, interpretation, construction, or on any other points between Buyer's and Seller's terms and conditions of sale, Seller hereby expressly rejects such conflicting terms and/or conditions of Buyer, and Seller's terms and conditions shall prevail and supercede Buyer's on those particular points. In any event, delivery of the Goods hereunder by Seller and acceptance thereof by Buyer shall constitute Buyer's acceptance of Seller's terms and conditions as set forth herein. Upon acceptance of the Goods, the terms of sale herein shall supercede all prior agreements, written or oral. No course of prior dealings between buyer and Seller and no usage of the trade shall be relevant to supplement or explain any term used in these terms of sale. Acquiescence in a course of performance rendered under these terms of sale or previously shall not be relevant to determine the meaning of these terms of sale even though the acquiescing party has knowledge of the nature of the performance and opportunity for objection.