

TERMS OF SALE OF GOODS AND SERVICES PROVIDED BY DARMANN ABRASIVE PRODUCTS, INC. ("SELLER")

1. Acceptance of Terms: The terms and conditions appearing below represent the entire Agreement with respect to the sale of goods and/or services by Seller to Buyer. If Buyer's acceptance of this offer includes additions to or modifications of these terms and conditions, then this offer shall be void and without legal effect unless such additions or modifications are accepted by Seller in writing. This offer to contract is conditioned upon Buyer's agreement that the terms and conditions stated herein constitute a complete statement of the Agreement between the parties and can be modified only in writing signed by both parties.

2. End Use: Buyer agrees to independently determine by Buyer's own analysis the suitability of all goods delivered hereunder for the particular purpose for which the goods are required (the "End Use"). Buyer assumes all risk and liability for any loss, damage, or injury to Buyer or Buyer's customers or others arising out of this End Use and the possession of the goods furnished hereunder.

3. Cancellation: If an order is canceled, in whole or in part, Buyer shall reimburse Seller for all Seller's costs incurred to the date of cancellation including the loss of anticipated profit.

4. Buyer Inspection: Buyer will inspect any and all goods delivered hereunder before altering the goods for use or permanently affixing the goods into instruments or devices since such incorporation or alteration may affect performance. Seller warrants (as set forth below) that the goods will be free from defects in material and workmanship and will meet or surpass Seller's published specifications. The only way this warranty may be altered is if the front of the Order Verification that is returned to Buyer specifically identifies alternative specifications.

5. Return of Goods: In order for goods to qualify for return or credit under the warranty set forth below, within thirty (30) days from Seller's documented shipment date Buyer must request from Seller a Returned Goods Authorization Number and promptly return to Seller the goods in the original protective packaging. The goods also must be in the same condition in which Buyer received them without having been damaged or otherwise altered by mounting, removal, coating, or other finishing. Upon receipt of the returned goods, Seller agrees to complete a full evaluation and promptly notify Buyer whether the goods are defective.

6. Warranty: Seller warrants that all goods delivered to Buyer hereunder will be free from defects in workmanship and material at the time of delivery of such goods to Buyer in conformance with the specifications identified in Section 4, above. THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL WARRANTIES (WHETHER EXPRESS, IMPLIED, OR STATUTORY) INCLUDING WITHOUT LIMITATION THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Buyer's sole and exclusive remedy, and Seller's sole and exclusive liability under the foregoing warranty, shall be limited to the following: Seller will, at its option, replace or refund the price paid by Buyer for any goods delivered hereunder which have been returned to Seller for evaluation as provided for herein and which Seller's evaluation concludes were defective in material or workmanship at the time of delivery to Buyer.

IN NO EVENT WILL SELLER OR ANY OTHER PARTY WHO HAS BEEN INVOLVED IN THE CREATION, PRODUCTION OR DELIVERY OF THE GOODS BE LIABLE FOR SPECIAL, DIRECT, INDIRECT, OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFIT OR INABILITY TO USE THE GOODS, EVEN IF SELLER OR SUCH OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL SELLER OR SUCH OTHER PARTY'S LIABILITY FOR ANY DAMAGES OR LOSS TO BUYER OR ANY OTHER PARTY EXCEED THE PRICE RECEIVED BY SELLER FOR THE GOODS.

7. Force Majeure: Either party shall be excused for delay in the performance of any obligations hereunder when such delay is the result of or attributable to the elements, acts of God, governmental authority, delays in transportation, manufacturer's or supplier's delays in providing parts, products or problem solutions, or any other cause beyond their reasonable control provided, however, that in any such event both parties agree to make a good faith effort to meet their obligations hereunder.

8. Miscellaneous:

Assignment: The rights and duties of this Agreement are not assignable or transferable by either party without the party's prior written consent.

Redline: If a court of competent jurisdiction or arbiter finds any provision of this Agreement, or portion thereof, to be unenforceable, that provision shall be enforced to the maximum extent permissible to affect the intent of the parties, and the remainder of this Agreement shall continue in full force and effect.

Choice of Law/Disputes: This Agreement shall become valid when Buyer returns a purchase order or other acceptance of an offer or Quotation to Clinton, Massachusetts and shall be deemed made and entered into in the Commonwealth of Massachusetts and shall be governed and construed under and in accordance with the laws of the Commonwealth of Massachusetts. Any dispute that arises between the Parties under this transaction shall be settled by submission to a single arbitrator mutually agreeable to the Parties. Furthermore, both Parties agree that: i) each will produce all documents requested by the other (with all disputes concerning such production being subject to resolution by arbitration); and ii) any award or judgment pursuant to such arbitration shall be deemed final and may be entered and enforced in any court of competent jurisdiction

Credit Impairment: If Buyer defaults in making any payment when due, or if Buyer's credit becomes impaired or unsatisfactory in the judgment of Seller, Seller shall have the right to declare immediately due and payable all obligations of Buyer for the purchase price of goods and services theretofore shipped, to resume possession of any shipment then in transit, to change credit terms and the discount period with respect to any further shipments, and to suspend production and work and defer or eliminate further shipments until any overdue amounts are paid in full and

cash or satisfactory security covering further shipment or work, as may be required by Seller, is deposited with Seller.

Proprietary Rights: Buyers agrees that the goods and services delivered hereunder embody ideas, designs, and other intellectual property rights owned by Seller which are protected by copyright and other proprietary rights (the "Intellectual Property"). Unless specifically expanded in writing by Seller, this Agreement grants Buyer: a) a limited non-exclusive right to use and sell the Intellectual Property as an integral part of the goods for the End Use; but b) no rights to copy, replicate, or otherwise reproduce the Intellectual Property or the goods embodying such Intellectual Property. Buyer agrees to use its best efforts and take all reasonable steps to safeguard the Intellectual Property and the goods embodying such Intellectual Property to ensure that no unauthorized person has access to them and that no unauthorized copy, replication, or reproduction is made.