

APPLE RUBBER PRODUCTS, INC.
GENERAL TERMS AND CONDITIONS FOR PURCHASES

1. DEFINITIONS: The term "Seller" as used herein shall mean the individual, firm, partnership or corporation to whom this purchase order is issued. The term "Buyer" as used herein shall mean Apple Rubber Products, Inc. The term "Goods" as used herein shall mean the articles, materials, goods, supplies, items, services and/ or facilities to be produced and/ or furnished by Seller hereunder. "Agreement" means the terms and conditions of this purchase order and any amendments or supplemental data concerning it.

2. ACCEPTANCE: Acceptance of this offer to purchase is made by either returning a signed copy of Apple Rubber Products, Inc.'s purchase order to Buyer, or by the shipment of Goods, as specified herein to the Buyer. SUCH ACCEPTANCE OF THIS PURCHASE ORDER IS MADE EXPRESSLY SUBJECT TO THE TERMS AND CONDITIONS CONTAINED HEREIN.

2.1 No terms or conditions, other than those stated herein, and no agreement or understanding in any way modifying the specific and general terms and conditions herein stated shall be binding upon Buyer unless mutually agreed upon in writing.

3. MODIFICATION: This purchase order constitutes the complete, final and exclusive Contract between Buyer and Seller and no course of performance and/ or course of dealing shall be relevant to explain or supplement any term used herein. No modification, rescission, or waiver of any term or condition shall be effective unless in a writing signed by Buyer. No duty or right under the Contract shall be delegated or assigned by Seller without the express written consent of Buyer.

4. PRICE AND PAYMENT: If prices are not specified, Goods shall be sold at prices no higher than quoted to Buyer. Unless otherwise expressly stated on the face hereof, prices specified shall include all property, sales, use or privilege taxes, or any export or import taxes, customs duties, or the like, whether any of the above be federal, state, local or otherwise, required to be paid with respect to the sale of the Goods and which shall be shown as separate items on invoices, unless stated. Payment will be made in accordance with the applicable provisions of this purchase order. The time for payment of invoices, or for accepting any discounts offered, shall run only from the date correct invoices are received by Buyer.

5. CHANGES - TERMINATIONS: Buyer, by written notice, may make changes in any one or more of the following: (i) the drawings, designs or specifications of the Goods; (ii) the quantities of the Goods herein ordered; (iii) the method of shipment or packaging of the Goods, and/ or (iv) the place of delivery of the Goods. Buyer, by written notice, may terminate this Contract as to all or any part of the Goods ordered. Buyer's only obligation shall be to pay for Goods shipped to Buyer prior to receipt by Seller of notice of change or termination.

6. DELIVERY SCHEDULE: Shipment and/ or delivery must be effected within the time stated on the face of this purchase order. TIME IS OF THE ESSENCE IN THIS PURCHASE ORDER. Any failure to so conform shall constitute a substantial impairment of the value of the whole

purchase order. If Seller does not ship and/ or deliver within the time specified herein, or if the Seller shall be in default of this purchase order, or if Seller should become insolvent, or if a petition in bankruptcy is filed by or against Seller under any state or federal law, Buyer may terminate this purchase order, in whole or in part, without liability.

6.1 Seller shall not manufacture or process materials in advance of Seller's normal flow time or deliver in advance of the time stated on the face of this purchase order, without Buyer's written consent. If Seller makes shipment or tenders delivery prior to the date specified herein, the Buyer shall, in addition to all other remedies provided by law or set forth herein, have the option to accept delivery when tendered but postpone payment for such shipment or delivery until the date payment would have been due had shipment or delivery been made as specified herein.

7. NON-WAIVER: Failure of Buyer to insist upon strict performance of any term or condition hereof, or failure or delay to exercise any right or remedy provided herein or by law, or to notify Seller in the event of breach, or the acceptance of or payment for any Goods hereunder, or approval of design, shall not release Seller of any of the warranties or obligations of this purchase order, and shall not be deemed a waiver of any right of Buyer to insist upon strict performance hereof or any of its rights or remedies as to any such purchase orders, regardless of when shipped, received or accepted, or as to any prior or subsequent default hereunder, nor shall any purported oral modifications or rescission of this purchase order by Buyer operate as a waiver of any of the terms hereof or a limitation of any right of Buyer with respect to this purchase order.

8.0 INSPECTION - NONCONFORMANCE: Buyer shall have the right to inspect and test the Goods at any time prior to shipment and within a reasonable time after delivery. The making or failure to make any inspection of, payment for, or acceptance of the Goods, shall in no way limit or impair Buyer's right to reject nonconforming Goods or to avail itself of any other remedy to which Buyer may be entitled.

8.1 Buyer may return any or all Goods which are defective, unsatisfactory, or of inferior quality or workmanship, or fail to meet the specifications of this purchase order. Such Goods shall remain the property of Seller and shall be returned at Seller's risk and expense. Buyer may, at its sole option, either give to Seller a reasonable time to repair or replace nonconforming Goods or cancel this purchase order as to such Goods and retain its rights with respect to cover by procuring other goods as provided by law.

8.2 Seller shall notify the Buyer, upon discovery, of nonconforming product and obtain the Buyers approval for disposition of non-conforming product.

8.3 Seller shall notify the Buyer of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain the Buyers approval.

8.4 Seller shall flow down to the supply chain the applicable requirement including Buyer requirements specified on the purchase order.

8.5 Apple Rubber Products, Inc, their customers, and regulatory authorities shall have the right of access to all facilities involved in the stated purchase order and all applicable records

including the facilities of the Seller's sub-tier suppliers. The Seller Agrees to any applicable quality requirements listed in the purchasing documents, including key characteristics, where required and shall flow down these requirements to any sub-tier suppliers where applicable.

9. NEW MATERIAL: All Goods and/ or all components of such Goods to be furnished under this purchase order shall be new and not used or reconditioned.

10. WARRANTIES: Seller warrants that all Goods delivered shall conform to the designs, drawings, specifications, data or other description furnished or adopted by Buyer; shall be merchantable; shall be free from defects in design, material, workmanship and title; shall conform in all respects to the terms of this purchase order; shall be fit and suitable and perform satisfactorily for the purposes for which they are to be used; and shall be manufactured in a first class manner and be at least equal to nationally recognized standards or codes or of the best quality, if no quality is specified. These warranties are in addition to any warranty offered by Seller or implied or provided by law. If it appears within one (1) year from the date of placing the goods into service that the goods or any part thereof do not conform to these warranties, and Buyer so notifies Seller within a reasonable time after its discovery, Seller shall thereupon promptly correct such nonconformity at its sole expense. Goods used to correct such nonconformity shall be similarly warranted for one (1) year. This one-year guarantee does not affect Buyer's right to commence an action against Seller within the applicable statute of limitations provided by law. Except as otherwise provided in this purchase order, Seller's liability hereunder shall extend to all damages proximately caused by the breach of any of the foregoing warranties. Seller agrees that these warranties shall survive acceptance of the Goods and will run to Buyer, its successors, assigns and customers, and to all users of Buyer's products.

11. PATENT INDEMNITY: Seller shall indemnify and hold Buyer harmless from and against any and all losses, liabilities, claims, causes of action, damages and expenses (including reasonable attorneys' fees) which arise directly or indirectly out of or in connection with any allegation or charge that any Goods furnished by Seller hereunder, the use thereof, or the use by Seller of any special tooling, process, method or design from whatever source, constitute an infringement of any patent or patent right, copyright, trademark, or other proprietary right of any party. Seller shall upon Buyer's request, assume the defense of Buyer, at Seller's expense, against such allegation or charge; provided that Buyer shall promptly notify Seller of any implied or actual charge of infringement and furnish Seller, at Seller's request and Seller's expense, all assistance and information available to Buyer. Buyer shall be defended by counsel of its choice at Seller's expense. Seller, at its expense, shall also use its best efforts to enable the Buyer to continue to use such goods:

- (a) By altering the Goods to make them non-infringing, providing that such altered non-infringing Goods will fulfill the same function and perform the same as prior to such alteration, or
- (b) By obtaining for Buyer non-infringing Goods which will fulfill the same function and perform the same as the infringing Goods, or
- (c) By obtaining a settlement or license permitting Buyer's use of any infringing Goods.

12. COMPLIANCE: Seller warrants that all Goods shall have been produced, sold, delivered and furnished in strict compliance with all applicable laws and regulations, whether federal, state, local or otherwise, to which they are subject.

13. INDEMNITY: Seller shall indemnify, defend and hold Buyer harmless from any liability on any claims, losses, liabilities, causes of action, or damages (collectively, the "Claims") made upon Buyer by any person whomsoever which are in any way related to or connected with or arise, either directly or indirectly, out of the fulfillment of this purchase order or the use (by Buyer or any other party) of the Goods being purchased hereunder, including, without limiting the generality of the foregoing, such claims for personal injury or death or property damage.

13.1 Seller shall defend all aforementioned Claims and be solely liable for any amounts due thereon, and pay all costs and expenses incidental thereto, including reasonable attorney's fees. Seller shall maintain such product liability, property damage, employer's liability and compensation insurance as will protect Buyer from such risks and from any claims under any applicable Workman's Compensation and/ or occupational disease acts. Any limitation of the liability or responsibility of Seller by provisions of Seller's order acknowledgment, delivery ticket, or other instrument shall be void and of no effect.

14. TRANSPORTATION AND PACKAGING: All Goods must be adequately packaged and must conform to Uniform Freight Classification Requirements. All shipments shall be described on shipping papers in accordance with the freight classification noted on this purchase order, or if not provided thereon, in accordance with the lowest rated nomenclature as set forth in the classification guide used by the carrier designated in this purchase order. Delivery is FOB Buyer's office unless otherwise specified. Seller shall consolidate on a single Bill of Lading.

15. SHORTAGES: Shortages must be reported in writing to Buyer at the time of shipment of the Goods. Such written notice shall be sent to Apple Rubber Products, Inc., at the address specified on the face hereof and Seller shall promptly rectify such shortages.

16. CONFIDENTIAL INFORMATION: As used in this Agreement, "Confidential Information" means all written, verbal or electronic information that is not generally known to the public, whether of a technical, business, or other nature (including, without limitation, business opportunities, contracts and negotiations with third party customers and prospective customer, business projections, methods, costs, purchasing, finances, business affairs of the disclosing party, and any other information disclosed in discussions contemplated hereunder), that is disclosed to the Seller in connection with Buyer's purchase of Goods. Confidential Information also includes all information concerning the existence and progress of the parties' dealings with each other, including the negotiation and existence of this Agreement.

16.1 USE OF CONFIDENTIAL INFORMATION: The Seller will not disclose Confidential Information to anyone without the Buyer's prior written consent, and will not use or permit others to use Confidential Information at any point in time for any purpose other than Seller's performance under this Agreement.

17. INJUNCTIVE RELIEF: Seller acknowledges that disclosure or use of Confidential Information in violation of this Agreement could cause irreparable harm to Buyer for which monetary damages may be difficult to ascertain or for which there may be an inadequate remedy. Seller therefore agrees that Buyer will have the right, in addition to its other rights and remedies, to seek and obtain injunctive relief for any violation of this Agreement.

18. USE OF BUYER'S DATA: Seller shall not use or disclose any data, designs, or other information belonging to or supplied by or on behalf of Buyer, except for the performance of orders for Buyer. Upon Buyer's request for such data, designs, or other information, any and all copies thereof shall be returned to Buyer.

19. PRODUCTS, METHODS AND MANUFACTURING PROCESSES: Any unpatented knowledge and information, including but not limited to apparatus, processes or technology concerning Seller's goods or services which Seller may disclose to Buyer incident to the production or furnishing of the Goods or the performance of services covered by this purchase order shall be deemed to have been disclosed as part of the consideration for this purchase order and Seller agrees not to assert any claim against the Buyer by reason of Buyer's use or alleged use thereof.

20. RECORD RETENTION: The Seller shall retain records for a minimum of 7 (seven) years unless otherwise specified by the Buyer on the purchase order.

21. APPLICABLE LAW: This transaction shall be governed by the laws of the State of New York, regardless of any conflicts of law provisions to the contrary. Any and all actions and proceedings relating to or arising from this Contract shall be commenced and be maintained solely in New York State Supreme Court, Erie County, and Seller expressly consents to the jurisdiction of this court

22. ASSIGNMENT: Seller may not assign this purchase order, or any duty or right hereunder, in any manner, in whole or in part, by operation of law or otherwise, without the prior written consent of Buyer.

23. SEVERABILITY: In the event any of these terms and conditions shall be declared by a Court to be void or unenforceable, then such terms or conditions shall be severed from this purchase order without affecting the validity and enforceability of the other terms and conditions contained herein, and the Buyer and Seller shall negotiate in good faith to replace such unenforceable or void terms or conditions with similar provisions to achieve, to the extent permitted under Law, the purpose and intent of the terms or conditions declared void and unenforceable.

24. HEADINGS: The headings throughout these terms and conditions are provided for convenience only and the words contained therein shall in no way be held to expand, amplify, modify or aid in the interpretation or construction thereof.