

SWISSTURN/USA, INC.
TERMS & CONDITIONS OF SALE
Form 4.3 D, Rev.---, Revised 8/27/97

This agreement is to be governed by the laws of the state of Massachusetts.

QUOTATIONS - Clerical errors are subject to correction. Orders/contracts are subject to acceptance at Swissturn's home office.

QUANTITIES - Buyer agrees to accept over/under runs not to exceed 10% of ordered quantity on each line item. Closer control of quantity requires special arrangements with Swissturn.

CANCELLATIONS - Orders may be canceled or deliveries deferred only upon the condition that the buyer assumes immediate liability and makes payment for all work completed and in process. Such charges shall include raw material, unamortized tooling, engineering, handling, overhead, and production costs. Such charges to be determined at time of cancellation or deferment.

Swissturn/USA reserves the right to cancel an order/contract at anytime without penalty if it cannot meet the requirements of the order/contract.

DELIVERY/SHIPMENTS - Swissturn shall not be liable for damages for default or delay in production or delivery for causes beyond its control, including an accident to or breakdown of its equipment, labor disputes, embargoes, acts of God, supplier delays, government restrictions, riot or carrier delays. Bulk packaging is standard. Buyer shall bear the expense of all other packaging.

TAXES - All sale and/or use taxes and Custom duties imposed by Federal, state, county or municipal authority upon Swissturn's transfer and delivery of merchandise hereunder shall be paid by the buyer.

PAYMENT TERMS - All sales, if on credit, are net 30 days from date of shipment, unless otherwise specified on invoice. All past due accounts accrue interest at 1.5% per month on the declining unpaid balance or the legal rate of interest, whichever is less. Interest is added to the past due balance and the total thereof is subject to interest for the next billing cycle and shall continue accruing interest until paid. The accrual or payment of interest does not authorize us to defer payment of any indebtedness beyond the credit terms stated herein or defer payment of any past due bill. In the event of delinquency of any account, Buyer shall pay for all collection costs, attorney's fees and court costs incurred in collection, regardless of whether judicial action is taken or otherwise.

SAMPLES -If requested, Swissturn will submit samples for approval when commencing production upon any order. It is understood its machines are to be run immediately. Any changes in original specifications will be made only at buyer's direction and expense. Swissturn will be notified immediately with notice followed by written confirmation.

SPECIFICATION - Buyer agrees to provide Swissturn with an original copy (i.e. not faxed) copy of all required specifications. If the buyer fails to provide a clear original copy of all specifications, Swissturn will request a written release from

responsibility for any product manufactured that does not meet the specifications.

CLAIMS - In all claims for shortages, buyer must notify seller within 15 days of receipt of shipment. The original packaging, including exterior cartons, must be saved so that Swissturn can make a claim with the carrier. Charges for repair or inspection of parts by buyer, without prior written authorization, cannot be honored. Claims will not be honored on those parts further processed by buyer resulting in change of dimensions or characteristics from parts ordered.

TOOLING - Tools, dies, gages, fixtures are an integral part of the manufacturing process and included in engineering charges. As a proprietary item, payment by the buyer, whether separately quoted or not, conveys neither ownership nor the right of removal from Swissturn's possession.

PATENTS - The products hereunder are manufactured in accordance with the buyer's specification and design. Accordingly, buyer shall defend and save harmless Swissturn from all damages, claims, actions or suits based upon actual or alleged infringement of any patent registered in the U.S. or elsewhere. Indemnity shall include attorneys fees and other costs in defending such claim.

WARRANTY - Swissturn warrants that goods manufactured by it will conform to the drawings and specification furnished by buyer. Where products are used and combined with other equipment or components not furnished by Swissturn or further processed by the buyer, buyer agrees to indemnify Swissturn/USA, Inc. for all claims and expenses resulting from the use or incorporation into buyer's products.

There are no other warranties, expressed or implied, either of merchantability or fitness for purpose.

LIMITED LIABILITY - Swissturn's liability shall be limited to twice the amount of the contract.

COMPLETE CONTRACT - This agreement constitutes the entire contract between Buyer and Swissturn/USA. No modification hereof shall be of any force and effect unless in writing and signed by the party claimed to be bound thereby, and no modification shall be effected by an acknowledgment or acceptance by Swissturn/USA of a purchase order from Buyer containing any different terms and conditions, which terms and conditions, to the extent inconsistent, shall be deemed superseded by the terms and conditions set forth herein and in the other documents delivered by Swissturn/USA and Buyer. A waiver of any of the terms or conditions hereof shall not be deemed a continuing waiver, but shall apply solely to the instance to which the waiver is directed.

The foregoing states Swissturn's entire and exclusive liability. In no event will Swissturn be liable for consequential or special damages arising from any defect or use of its products. This is the whole agreement between the parties; any representations made by or on behalf of Swissturn/USA are void.