



Terms and Conditions of Sale

Parties: "Seller" shall mean Cannon Gasket, Inc. "Buyer" shall mean company/individual purchasing from Cannon Gasket, Inc. By purchasing from Seller, Buyer irrevocably and unconditionally agrees to be bound by the terms and conditions described below ("Agreement"). Even if Buyer sends Seller another agreement, or modifications to this Agreement, and Seller does not agree to in writing by authorized personnel, these terms will be the terms that govern the purchase by Buyer of products, services, and/or materials from Seller.

Terms and Conditions of Sale: Any products, services, and/or materials Buyer purchases from Seller by electronic, phone, paper, or any other form of transmission are sold subject to the terms and conditions found herein. These terms and conditions shall be governed by the substantive law of the state of California. Any disputes between Buyer and Seller shall be brought in the state courts of California.

Price: All prices are FOB Fontana, CA unless otherwise stated in writing by Seller by authorized personnel. Prices quoted are valid for thirty (30) days unless otherwise stated by in writing by Seller. Typographical and stenographic errors are subject to correction. Price is based on current conditions at time of quote. Prices are based on one release unless otherwise stated in writing by Seller. All purchases are considered non-cancelable unless otherwise agreed to in writing by Seller. Cancellations are subject to ten percent (10%) cancellation charge, plus charges equal to all work completed and raw material stock purchased at time of cancellation. 1st Articles-- Buyer is responsible for tooling, NRSU, raw material stock purchased and any other cost seller incurred at time of cancellation.

Delivery: Seller will use commercially reasonable efforts to deliver the items ordered in the time requested. However, Buyer acknowledges that quoted delivery dates are estimates and Seller cannot guarantee delivery

on a specific date. Deliver is contingent on material availability, natural disaster, strikes, and/or all other conditions beyond Seller's control. Seller will use commercially reasonable efforts to fulfill the quantity requested by Buyer but buyer agrees that variation of up to ten percent (10%) in quantity is acceptable. All title and risk of loss or damage passes to Buyer at the time products are transferred to a commercial transportation carrier for shipment.

Limited Warranty: The goods hereby sold are warranted free from defects in workmanship and material for thirty (30) days from shipment date to buyer. Warranty is limited to repair and/or replacement of parts or refund of purchase price at Seller's sole discretion. No goods may be returned without Seller's written authorization. Except as expressly set forth above, the buyer disclaims all warranties on products, services and/or materials furnished hereunder, expressed and/or implied, including without limitation implied warranties of merchantability and fitness with for a particular purpose. Buyer assumes full responsibility, liability for material suitability, sizes, and all other aspects related to application, design and function ability. Seller warrants only that the products supplied hereunder shall meet and conform to the descriptions and/or specifications stated or referred to in writing. Seller makes no other representation or warranty of any kind, express or implied, with respect to its goods. This limited warranty is given only to the original purchaser and does not extend to any subsequent purchaser or transferee of seller's product. The original purchaser is not entitled to extend or transfer the warranty to any other party. This warranty is in lieu of all other warranties, written or oral, statutory, expressed and/or implied.

Limitation of Claims: Except for Seller's gross negligence, Seller will not be responsible for an harm arising out of Buyer's purchase, possession and/or use of any product and/or materials supplied by Seller and/or any technical advice Seller may offer, except as agreed in the Limited Warranty set out above.

Except for Seller's gross negligence, Buyer shall indemnify and hold Seller harmless for any and all costs and/or claims related directly or indirectly to Buyer's or any third party's use, sale, distribution, manufacturing, disposal, and/or destruction of any of the products Buyer purchases from Seller. Seller will not be liable for consequential, special, incidental, and/or exemplary damages, including, but not limited to, loss of profits, cost of any substitute for the products purchased, claims of third parties and/or injury to person and/or property. Technical Advice and Other Services: Buyer is responsible for design, processing, testing and product Buyer makes using products Buyer purchases from Seller. Buyer will not rely on anything on Seller's web site and/or any statement by Seller about suitability of products, materials, services Seller provides. Buyer has tested and investigated products sold by Seller enough to form an independent judgment concerning their suitability for use, conversion, and/or processing intended by Buyer. Buyer will not make any claim against Seller based on Seller's technical advice, statements, data, services, and/or recommendations.

Events Beyond Seller's Control:

Seller will not be responsible if Seller cannot perform under this Agreement if events beyond Seller's control occur which make it impossible or commercially unreasonable for Seller to perform, including so-called "Acts of God" or "force majeure" events and/or raw material shortages.

Medical Applications: Buyer understands that Seller's materials and/or products are not intended for use in any medical application involving implantation in the human or any such implantation, and agrees not to use any of Seller's materials and/or products for any such application, or for other application into which, to Buyer's knowledge, Seller has previously declined to sell material and/or product.