

CONDITIONS OF SALE

1. DEFINITIONS. For purposes hereof, unless otherwise provided herein:

(i) "Company" means U.S. Nippura, Inc., a North Carolina corporation; (ii) "Conditions of Sale" means the following conditions of sale which are hereby incorporated by reference in, and made a part of, the Sales Order Agreement to which these Conditions of Sale are affixed or attached; (iii) "Customer" means the individual or entity whose name appears on the face of the Sales Order Agreement; (iv) "Goods" means the products described on the face of the Sales Order Agreement; (v) "Invoice" means any invoice sent by Company to Customer pursuant to the Sales Order Agreement; and (vi) "Agreement" means the Sales Order Agreement.

2. PAYMENT TERMS. Customer shall pay to Company the amount listed on the face of the Agreement or Invoice in the manner and in accordance with the terms provided on the face of the Agreement or Invoice. If Customer fails to pay the amount listed on the Agreement or Invoice as required, Company may, in its sole discretion, without prejudice to any other remedy, do any one or more of the following: (i) postpone shipments, (ii) alter payment terms, (iii) terminate shipments, and (iv) charge interest on all overdue amounts at the rate of 1.5% per month compounded monthly (or such lesser rate as is required by applicable law). Any and all taxes imposed by federal, state or other governmental authorities on the sale of the Goods shall be paid by Customer in addition to the prices listed (and whether or not itemized) on the Agreement or Invoice.

3. DELIVERY AND SHIPPING TERMS. Unless otherwise specified in the Agreement, delivery terms shall be Ex Works (EXW) Company's facility listed on the Agreement, pursuant to which the risk of loss passes to Customer when the Goods are placed at the disposal of the Customer. Company will use reasonable diligence to meet the scheduled delivery dates provided herein, which are estimates and not guarantees of when the Goods will actually be delivered. All references to delivery and shipping terms are with reference to the International Chamber of Commerce Incoterms 2000, unless otherwise noted.

4. SECURITY FOR PAYMENT. Customer grants to Company a purchase money security interest in the Goods to secure, if deemed necessary by the Company, the payment of the purchase price of the Goods and all other amounts due to Company from Customer. Customer shall provide to Company financing statements and other documents requested by Company to evidence the same.

5. TITLE. Upon delivery of the Goods as provided in Section 3, the Goods shall become the property of Customer, subject to a reservation of a security interest herein granted to Company, and any losses or damage thereto shall be borne by Customer. Customer shall obtain appropriate risk insurance for fire, theft and extended coverage including vandalism, which recognizes Company's interest.

6. IMPORT AND EXPORT. Unless otherwise provided in the Agreement, Customer, in its own name, shall perform all tasks and complete all paperwork necessary with respect to the importation of the Goods to be delivered to Customer hereunder and shall pay all customs duties, tariffs, taxes and fees required to be paid with respect to the importation of such Goods.

7. WARRANTY. Company represents and warrants that the Goods will be free from material defects in quality or workmanship for a period of one (1) year from the date of delivery. Other than this limited warranty, Company specifically disclaims any and all other warranties of any kind, express or implied, including any warranties of fitness for a particular purpose and of merchantability.

8. REMEDIES UPON BREACH. If Customer breaches the Agreement, Company shall be entitled, in addition to any other remedy at law or equity, to recover all costs and expenses incurred by Company in connection herewith. Such costs and expenses shall include, without limitation, Company's reasonable attorney's fees, costs of labor applied to the Agreement, overhead, costs of any materials applied to or ordered for the Agreement, and any charges imposed on Company by its suppliers or subcontractors. If Company breaches the Agreement, Customer's exclusive remedy shall be to terminate the Agreement (after written notice to Company of the breach and reasonable time to cure) by written notice thereof to Company, and to receive a refund of the Agreement amount, if previously paid, for any Goods that have not been shipped as of the date of such termination.

9. CANCELLATIONS. Cancellation of the Agreement must be in writing signed by Customer and Company. Such cancellation will be deemed to occur on the date that both parties sign the notice of cancellation. Upon such cancellation, Customer agrees to pay Company immediately all costs and expenses incurred by Company in connection with the Agreement. Such costs and expenses shall include, without limitation, Company's reasonable attorney's fees, costs of labor applied to the Agreement, overhead, costs of any

materials applied to or ordered for the Agreement, and any charges imposed upon Company by its suppliers or subcontractors.

10. COSTS. Customer shall pay all of Company's costs and expenses, including reasonable attorney's fees, of collecting any amount not paid when due hereunder and of otherwise enforcing the terms and conditions of the Agreement.

11. EXCUSE FOR NON-PERFORMANCE. Company shall not be liable for damages of any kind, caused by delays in shipment, delivery, or any other nonperformance of the Agreement, directly or indirectly resulting from or contributed to by any circumstances beyond Company's control, including without limitation, riots, wars, terrorist activities, earthquakes or national emergencies, labor disputes of every kind however caused, embargoes, nondelivery by suppliers, inability to obtain supplies through normal sources of supplies, delays of carriers or postal authorities, or governmental restrictions, prohibitions or diversions. The occurrence of any such circumstance shall operate to extend Company's time of performance hereunder for a period not less than the period of such delay. In the event of any such circumstance, Company may allocate its production and deliveries among its customers as it may decide in its sole discretion.

12. INSOLVENCY OF CUSTOMER. Company may cancel the Agreement and suspend any further deliveries hereunder without any liability to Customer, and, if the Goods have been delivered but not paid for, the price therefor shall become immediately due and payable despite any other agreement to the contrary, if: (i) any proceedings in bankruptcy, insolvency, receivership or liquidation are taken against Customer; (ii) Customer makes an assignment for the benefit of creditors or commits an act of bankruptcy or insolvency; (iii) Customer ceases, or threatens to cease, to carry on the ordinary course of its business, or transfers all or substantially all of its property; (iv) the Goods are seized under any legal process or confiscated; or (v) Company in good faith believes that the ability of Customer to pay or perform any provision of the Agreement is impaired, or that the Goods are in danger of being lost, or that any of the events mentioned above is about to occur.

13. LIMITATION ON DAMAGES. Company shall not be liable in tort, including liability in negligence or strict liability, and shall have no liability at all for injury to persons or property with respect to the Goods or Company's performance hereunder. Company's contractual liability for failure to fulfill its obligations hereunder or any other liability in connection with the Goods shall be limited to the amount of the purchase price of the Goods. Even if Company has been advised of the possibility of the following, Company shall not be liable for any indirect, incidental, special or consequential damages, including lost profits and revenues, losses due to delay in shipment, failure to realize expected savings, any claim against customer by a third party, or any other commercial or economic losses of any kind. These limitations and disclaimers are not made by Company where prohibited by law.

14. NOTICES. All requests, instructions and notices from one party to the other must be in writing and may be given via mail or facsimile transmission to the address of the parties shown on the face of the Agreement.

15. GOVERNING LAW; ARBITRATION. The Agreement shall be governed by the laws of the State of North Carolina, without reference to its conflict of laws provisions. All disputes arising out of or in connection with the Agreement shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules. Any and all arbitration proceedings, whether brought and maintained by Company or Customer, will be held in Charlotte, North Carolina. Any cause of action arising under the Agreement must be commenced within one (1) year after such cause of action arose.

16. MISCELLANEOUS. The terms and conditions stated herein constitute the complete and exclusive statement of the terms and conditions of the sale of the Goods. There are no other promises, conditions, understandings, representations or warranties of any kind with respect to the subject matter hereof. The Agreement may be modified only by a writing referencing the Agreement signed by Company and Customer. The failure of Company to enforce any right hereunder will not be construed as a waiver of its right to performance in the future. Any provision of the Agreement which is, or is deemed to be, unenforceable in any jurisdiction shall be severable from the Agreement in that jurisdiction without in any way invalidating the remaining provisions of the Agreement, and that unenforceability shall not make that provision unenforceable in any other jurisdiction. The rights which accrue to Company by virtue of the Agreement shall inure to the benefit of its successors and assigns.

