

1. GENERAL SCOPE OF AGREEMENT

A. Supplier hereby agrees to manufacture, sell and deliver to CRC Industries, Inc. (the "Company") quantities of the products (the "Products") described in any purchase order issued to Supplier by the Company ("Purchase Order").

B. These terms and conditions (this "Agreement") shall apply to any Purchase Order, which shall constitute a separate and distinct contract between the parties. The terms and conditions of this Agreement shall be deemed incorporated in each such Purchase Order and shall take precedence over any contrary or inconsistent terms and conditions appearing or referred to in any such Purchase Order, unless the Purchase Order specifically states to the contrary. NO CONTRARY, INCONSISTENT OR ADDITIONAL TERMS IN ANY ACKNOWLEDGMENT OR OTHER DOCUMENT ISSUED BY EITHER PARTY SHALL BECOME PART OF ANY PURCHASE ORDER OR THIS AGREEMENT UNLESS EXPRESSLY ACCEPTED IN WRITING BY THE OTHER PARTY.

2. TIME IS OF THE ESSENCE; INSPECTION; PAYMENT

A. Supplier shall cause the Products to be delivered at the time specified on the applicable Purchase Order or release. TIME IS OF THE ESSENCE OF EACH PURCHASE ORDER. IF A TENDER OF CONFORMING PRODUCTS IS NOT MADE BY THE SCHEDULED DELIVERY DATE, COMPANY SHALL HAVE NO OBLIGATION TO ACCEPT AND SUPPLIER SHALL HAVE NO RIGHT TO MAKE A LATER CONFORMING TENDER. IF DELIVERY OF PRODUCTS IS NOT COMPLETED BY THE TIME PROMISED, COMPANY RESERVES THE RIGHT, WITHOUT LIABILITY AND IN ADDITION TO ITS OTHER RIGHTS AND REMEDIES, TO TREAT THE SAME AS A BREACH OF THIS AGREEMENT.

B. All Products are subject to inspection by the Company notwithstanding prior payment. If inspection or use of the Products discloses that the Products are not in accordance with the specifications and/or warranties contained herein or in a Purchase Order, the Company shall, in addition to any other rights it may have in law or equity, have the right to reject and/or revoke acceptance, and return any Products for full credit or cash refund, at its option, and shall have the right to cancel any remaining unshipped portion of the applicable Purchase Order without obligation. The foregoing shall apply to whenever inspection may reasonably be made. Products rejected as nonconforming shall be returned at Supplier's expense, including transportation and handling. Supplier shall provide to the Company all documentation reasonably requested by the Company in order to assist the Company in determining whether any delivery complies fully with the respective Purchase Order.

C. The Company shall pay for Products accepted by it within 60 (sixty) days of receipt by the Company of the invoice or the Products, unless in dispute.

3. COMMUNICATIONS

Supplier shall immediately inform the Company of any occurrence that may create uncertainty as to Supplier's ability to comply fully with any aspect of any Purchase Order.

4. OWNERSHIP

Company shall own all right, title and interest in, and Supplier shall not acquire any right, title or interest in any of the trademarks, service marks or copyrights belonging to Company.

5. PUBLICITY

Supplier shall not disclose the existence of this Agreement without the prior written permission of the Company, except where required to do so by order of law or in a proceeding.

6. DOCUMENTATION; INSPECTION AND AUDITING

A. Supplier will maintain all books, records and other documents relating to the performance of this Agreement or required to be kept by law or permit for a period of three years or the amount of time legally required, whichever is longer.

B. The Company shall have the right to send its representatives to audit, inspect and observe the manufacture, processing, storage, transportation and disposal of materials, and any documents, books and records relating thereto, at a reasonably appropriate time during normal business hours. Company representatives shall have no responsibility for or right to supervise Supplier employees performing this Agreement. The Company shall have the right to conduct inventory audits, as well as any other types of audits reasonably required for its internal control or to ensure compliance with legal or other requirements relating to this Agreement.

7. WARRANTIES; REMEDIES; EXCLUSIVITY; RIGHT OF FIRST REFUSAL

A. Supplier warrants that the Products delivered hereunder will be merchantable, free from defects in design, material and workmanship, suitable for the use intended; and will conform to applicable specifications, drawings, samples and descriptions. Supplier further warrants that it has good and marketable title to such Products and that they are free from any claim, encumbrance, security interest or lien and that products supplied have not been previously rejected or condemned by another purchaser or regulatory authority. All warranties in this Agreement shall run to the Company, its successors, assigns and customers, and users of the Products or the product in which the Products may be incorporated and shall be construed as conditions for which rejection or revocation of acceptance may be made by the Company as well as warranties. All warranties shall survive any inspection, delivery, acceptance, approval, test or payment by the Company.

B. Supplier warrants that the Products purchased hereunder and their use by the Company do not infringe upon or violate any patent, copyright, trademark, trade name or without limitation, any rights of third parties.

C. For any claim for non-conforming Products presented to Supplier, the Company shall have the option in its sole discretion, in addition to all other remedies available at law or equity, to require Supplier to replace the defective Products or refund or credit the purchase price.

D. The parties agree that money damages would not be a sufficient remedy for any breach of this Agreement by Supplier, and that in addition to all other remedies, the Company shall be entitled to specific performance and to injunctive or other equitable relief as a remedy for any such breach. Supplier agrees not to oppose the granting of such relief, and to waive, and to use its best efforts to cause others to waive, any requirement for the securing or posting of any bond in connection with such remedy.

8. INDEMNIFICATION

Supplier will defend, hold harmless and indemnify Company from and against any claims, losses, obligations, injuries, damages, fines, suits, costs and expenses (including reasonable attorneys' fees) caused by: (i) Supplier's breach of any warranties or obligations under this Agreement; (ii) the negligence or willful misconduct of Supplier, its employees or agents related to this Agreement; (iii) Supplier's non-compliance with applicable laws, ordinances, or governmental regulations; (iv) any claims of actual or alleged infringement of any third party's rights; or (v) any personal injury or property damage caused by the Products. Supplier's obligations under this Section shall survive and continue after the termination of this Agreement.

9. INSURANCE

A. In view of the indemnification obligations contained in Section 8 hereof, Supplier agrees to maintain during the performance of this

Agreement the following insurance in amounts no less than that specified for each type:

- i. General liability insurance with combined limits of not less than \$2 million per occurrence.
- ii. Product liability insurance with combined limits of not less than \$2 million per occurrence and \$10 million aggregate;
- iii. workers' compensation and any similar insurance in the amount required by the law of the states, if any, in which the Supplier's workers are located and employer's liability insurance with limits of not less than \$1 million per occurrence; and
- iv. in the event that the use of a company-owned motor vehicle is required in the performance of the Agreement, automobile liability insurance with combined limits of not less than \$2 million per occurrence.

B. Supplier will provide the Company with evidence of Supplier's insurance. Supplier will name the Company as an additional insured party under Supplier's insurance policy, and will provide to the Company at least thirty (30) days prior, written notice of any change or cancellation to the Supplier's insurance program.

10. PRICES

If purchase order is not priced, it shall not be filled at prices higher than those last quoted and charged for the same article, unless such increased prices shall have been authorized in writing by us.

11. FREIGHT: If freight is allowed or purchase made a delivered price, freight charges must be PREPAID.

12. QUANTITY

We reserve the right to refuse shipments of substitutions of items specified or in excess of the quantity ordered unless authorized by us in writing or unless in accordance with trade practice.

13. PACKING SLIPS

Numbered packing slips, bearing our purchase order number, must be placed in each container. Please list the packing slip numbers on your invoices.

14. CARTING AND BOXING: No charges will be allowed for boxing, packing or drayage unless otherwise agreed.

15. TERMINATIONS

Purchaser reserves the right of terminating this order at any time. Upon written notice of such termination by purchaser, Seller agrees to stop production immediately. Purchaser agrees to accept all finished units and pay the contract price thereof, and in addition a sum which is determined by mutual agreement for all work in process or in the absence of such an agreement, the Purchaser will pay for the work in process, the direct manufacturing cost to Seller, plus reasonable factory overhead directly allowable, and Purchaser upon such payments shall receive all salvage or have the value of such salvage deducted from the amount due Seller. The Total sum of the amount payable under this termination provision plus the sum of all amounts previously paid under this contract shall not exceed the total contract price.

16. ACCEPTANCE: The acceptance of this order shall constitute acceptance of the above conditions.

17. FORCE MAJEURE

Neither party shall be liable to the other for any failure to perform its obligations under this Agreement when such failure or delay shall be caused by an act of god or war (each, an "Event of Force Majeure"). The party whose performance is so affected shall provide prompt notice to the other, shall indicate the estimated duration of such Event of Force Majeure, and shall use all reasonable efforts to mitigate the effects of such Events of Force Majeure. In the event of a diminished supply of Products due to a Force Majeure event, Supplier shall apportion such supply among its customers in a manner whereby the Company is not afforded a lesser proportional allocation than is any other customer.

18. SUBCONTRACTORS

Supplier shall not subcontract any of this Agreement without the prior written approval of the Company, which approval may be granted or withheld by the Company in its sole discretion. Any such approval shall not relieve Supplier of its obligations under this Agreement.

19. APPLICABLE LAW

This Agreement shall be construed by and enforced in accordance with the laws of the Commonwealth of Pennsylvania, without regard to its conflicts-of-laws provisions and the parties agree that the exclusive jurisdiction for all disputes arising under this Agreement shall be the state and federal courts located in Philadelphia, Pennsylvania.

20. ENTIRE AGREEMENT

This Agreement and any Purchase Orders entered into pursuant hereto represent the entire understanding of the parties with respect to the subject matter hereof. In the event of any inconsistency between this Agreement or any Purchase Orders issued hereunder, the terms of this Agreement shall govern. NEITHER THIS AGREEMENT NOR ANY PURCHASE ORDERS ENTERED INTO PURSUANT HERETO SHALL BE MODIFIED EXCEPT BY A WRITTEN AGREEMENT SIGNED BY BOTH OF THE PARTIES HERETO.

21. SEVERABILITY

The invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of any other term or provision hereof.

22. AGREEMENT

Supplier may not assign, cede or transfer any of its rights or obligations under this Agreement without the written consent of the Company.

23. WAIVER

The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right to insist upon strict adherence to that term or any other term of this Agreement. Any waiver must be in writing and signed by the party making the waiver. Modifications hereof or additions hereto are not effective unless in a writing which specifies that it is a modification to this Agreement and is signed by duly authorized representatives of the parties.

24. NOTICE

All communications required or permitted by this Agreement shall be in writing and shall be hand delivered, sent by Registered Mail, with a return receipt, or sent by nationally recognized overnight delivery service such as Federal Express or UPS, in all cases with postage and fees prepaid, addressed as follows:

if to Supplier, at: _____ if to the Company, at: CRC Industries, Inc.

_____ 885 Louis Drive
Warminster, PA 18974
Attention: _____