

FEDERAL CORPORATION

Standard Terms and Conditions of Sale

I. DEFINITION

As used herein, the term "Federal" shall mean Federal Corporation.

II. PRICES

1. SUBJECT TO CHANGE - All prices are subject to change without notice and the price shall be that in effect at time of shipment. Prices are F.O.B. Shipping Point.

2. TAXES - Any tax or other governmental charge upon the sale, or shipment of products imposed by Federal, State, Municipal or other authorities shall be added to the price and must be paid by the purchaser.

III. ORDERS

1. SUBJECT TO ACCEPTANCE BY FEDERAL - All orders are subject to acceptance and approval by Federal Credit Department and are not binding until and unless so approved and accepted.

2. ORDER ACKNOWLEDGMENT - Written acknowledgment by Federal of an order received either orally or in writing will constitute acceptance, and thereby be a binding contract which cannot be modified or canceled by purchaser without written consent of Federal.

3. ACCEPTANCE OR ORDERS - No order placed with Federal shall be considered accepted until officially acknowledged in writing by Federal. The Terms and Conditions stated herein shall constitute the entire sales agreement between the parties and any contrary or additional Terms and Conditions submitted by parties other than Federal shall be deemed of no effect.

4. RIGHT OF REFUSAL - Federal reserves the right to reject any order or refuse to bid on any requirement.

IV. GENERAL

1. WARRANTY - All products sold are subject to the following warranty: FEDERAL MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, IN FACT OR IN LAW, INCLUDING WITHOUT LIMITATION, THE WARRANTY OF MERCHANTABILITY OR THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. The only warranty available is that of the manufacturer of the goods, which either accompanies the goods or is otherwise available.

2. LIMITATION OF LIABILITY - Federal shall not be liable for any incidental, consequential, or other damage.

3. DELIVERY - Federal shall not be liable for any delay or default in delivery of products where occasioned by any cause of any kind, or extend beyond the control of Federal, including without limitation: armed conflict or economic dislocation resulting therefrom, embargoes, shortages of labor, raw materials, fuel, energy, production facilities or transportation, labor difficulties, civil disorders of any kind, action of civil or military authorities (including priorities and allocations), fires, floods, and accidents. It is intended that no liability shall be sustained by Federal by reason of its not filling any order or portion thereof affected by such occurrences.

4. REPRESENTATIVES - Federal assumes no obligation for any oral representation as to any products, by any sales or other personnel.

5. CLAIMS FOR SHORTAGES - Each shipment shall be examined by the purchaser upon his receipt thereof, and any claim for shortage or any other cause must be reported to Federal promptly after such receipt.

6. ENGINEERING - Federal Corporation is not a Registered Professional Engineering Firm. And as such does not carry a Certificate of Authorization from the State of Oklahoma to provide Professional Engineering services. All Professional Engineering services required for any work or product provided by Federal Corporation are the sole responsibility of the purchaser.

V. MODIFICATION OR TERMINATION

These Terms and Conditions of Sale cancel and supersede all previous issues, supplements and revisions and are subject to change without prior notice. All Federal published prices, terms and conditions of sale are subject to change or withdrawal by Federal without prior notice. These Terms and Conditions of Sale cancel and supersede all previous issues, supplements and revisions and no deviations therefrom will be allowed and are specifically rejected unless expressly accepted by Federal in writing at the time of the acknowledgment of any order.