

TERMS AND CONDITIONS OF SALE

All references in these Terms and Conditions of Sale to "products" includes all chemicals, equipment, systems, services and other items of every kind and nature which are manufactured and/or distributed by the Seller, John Schneider & Associates, Inc. and/or Metalline Chemicals Corporation and/or JSA International, Inc.

1. Offer, Governing Provisions. This writing constitutes an offer or counteroffer by John Schneider & Associates, Inc. and/or Metalline Chemicals Corporation ("Seller") to sell the products described herein ("products") or on the face hereof in accordance with these terms and conditions. THIS WRITING IS NOT AN ACCEPTANCE OF ANY OFFER MADE BY BUYER, AND ACCEPTANCE OF THIS OFFER IS EXPRESSLY CONDITIONED UPON THE BUYER'S ASSENT TO THESE TERMS AND CONDITIONS. Buyer will be deemed to have assented to these terms and conditions when, at Seller's option: Buyer shall have given to Seller (orally or in writing) specifications of quality and/or type of products, delivery dates, shipping instructions, instructions to bill, or the like, as to all or any part of the products described herein or on the face hereof; or the Buyer has received delivery of the whole or any part thereof; or the Buyer has otherwise assented to the terms and conditions hereof. NO ADDITIONAL TERMS OR DIFFERENT TERMS OR CONDITIONS SHALL BE BINDING UPON SELLER NOR CAN THE BUYER'S ACCEPTANCE LIMIT OR ALTER SELLER'S TERMS AND CONDITIONS UNLESS SPECIFICALLY AGREED TO IN WRITING SIGNED BY DULY AUTHORIZED PERSONNEL OF THE SELLER. SELLER HEREBY OBJECTS TO ANY SUCH ADDITIONAL OR DIFFERENT PROVISIONS CONTAINED IN ANY PURCHASE ORDER OR OTHER COMMUNICATIONS FROM BUYER. Any document received from Buyer which contains terms and conditions conflicting with Seller's documents shall not become part of the contract; only those terms and conditions as specified in Seller's documents shall be binding, unless otherwise modified in writing and no implied terms and conditions shall be substituted for Seller's terms and conditions to resolve any conflict.

2. Delivery, Risk of Loss and Transportation Costs. All products are sold F.O.B. Seller's shipping point unless otherwise stated herein. Delivery of products to a carrier at Seller's shipping point or other loading point shall constitute delivery to the Buyer; and regardless of shipping terms or freight payment, all risk of loss or damage in transit shall be borne by the Buyer. Method and route of shipment shall be at the discretion of Seller unless Buyer shall specify otherwise; any additional expenses of the method or route of shipment specified by Buyer shall be borne entirely by Buyer. Unless otherwise stated herein, Buyer shall bear all costs of bags, barrels, boxes, pallets, or other containers used to ship a product sold hereunder. No shipping container may be returned to Seller unless such return is accepted by Seller in writing and unless all return freight is prepaid by Buyer.

3. Partial Shipments, Claims and Delays. Seller reserves the right to make delivery in installments, unless otherwise expressly stipulated herein. All such installments shall be separately invoiced and paid for when due per invoice, without regard to subsequent deliveries. Delay in delivery of any installment shall not relieve Buyer of its obligations to accept remaining deliveries.

Except as may otherwise be expressly provided, Buyer shall be responsible to inspect the products delivered and to notify Seller in writing within TEN (10) DAYS after receipt of shipment of any complaint that relates to such products (including without limitation claims for shortages), and failure to give such notice shall constitute unqualified acceptance and a waiver of all such claims by Buyer. Claims for loss or damage to products in transit shall be made to the carrier and not to the Seller.

Seller shall not be liable for any damage as a result of any delay due to any cause beyond Seller's reasonable control, including, without limitation, any act of God, act of the Buyer, embargo or other governmental act, regulation or request, fire, accident, strike, slow-down, war, riot, delay in transportation, or inability to obtain necessary labor, materials, or manufacturing facilities.

4. Payment. Net THIRTY (30) DAYS from date of invoice on approved credit, unless otherwise specified on invoice. If during the period of performance of an order, the financial conditions of the Buyer shall not justify the payment terms specified, or if the Buyer shall fail to make any payments in accordance with the Seller's terms, Seller shall require full or partial payments in advance before proceeding with the order. Late payments accrue a late charge of 1½% per month, but shall not exceed the maximum rate allowed by law. Title to the products shall remain in the Seller until the purchase price due hereunder shall have been paid in full. If the Buyer fails or refuses to pay any part of the amount when due under this contract, then title to the products shall not pass to the Buyer, and Seller can repossess itself of the products. Invoice price shall be that in effect on date of shipment.

Buyer hereby grants to Seller a priority lien, purchase money security interest, and/or chattel mortgage in the products and in any accounts receivable or cash from the resale thereof until full payment is made by Buyer to Seller for the price of all products purchased, as well as any interest, finance charge, late fees, and Seller's costs of collection, including reasonable attorneys' fees. On request of Seller, Buyer agrees to file any financing statements or other appropriate documents with any appropriate government authority to assure the validity, priority and enforceability of Seller's lien. Furthermore, Seller may file any such financing statements to perfect the security interest herein and is hereby appointed Buyer's attorney-in-fact for purposes of making any such filing. This paragraph is not meant to alter the parties agreement that title to the products remains with Seller until the purchase price is paid in full,

but rather, is meant to give Seller a security interest in the products in the event Buyer is ever found to have received title to the products by operation of law or equity contrary to the terms hereof.

5. Taxes and Other Charges. All taxes (including any manufacturer's tax, retailer's occupation tax, use tax, sales tax, excise tax, duty, custom, inspection or testing fee, or any other tax, fee or charge of any nature whatsoever) imposed by any governmental authority on or measured by the transaction between Seller and Buyer shall be paid by the Buyer in addition to the price quoted or invoiced. The price quoted or invoiced includes only those taxes separately stated on the face hereof. In the event the Seller is required to pay any liability for such tax, the Buyer shall indemnify Seller and hold Seller harmless from and against all liability relating to such tax. This indemnification and hold harmless shall also apply to any liability resulting from any exemption certificate or other indication of exempt status provided by Buyer not being acceptable to the authority imposing the same.

6. Warranties. Seller warrants products manufactured and/or distributed by it to be free from defects in materials and workmanship for a period of THIRTY (30) DAYS from date of shipment, provided they have been installed and/or used as recommended, and have not been subjected to misuse, alteration, accident, abuse or unauthorized repair. If, within such period, any such products shall be proven to Seller's satisfaction to be defective, such products shall be either replaced or their price refunded, at Seller's sole option. Seller's obligation for non-performance, defective products, or any damage caused by its products or their use, and Buyer's exclusive remedy therefor, shall be limited at Seller's sole option to such replacement or refund and shall be conditioned upon Seller receiving written notice, together with a demand for such replacement or refund, within THIRTY (30) DAYS after the date of shipment of such products. Seller shall have no liability for labor or other costs incurred by Buyer in repairing, removing, installing, servicing or handling of any products, without the express written consent of Seller. This warranty gives Seller specific legal rights and Seller may have other rights which may vary from state to state. This exclusive remedy shall not be deemed to have failed its essential purpose under any circumstances so long as Seller at its sole option is willing and able to replace defective products or refund the purchase price within the time period specified.

7. Disclaimers of Warranty and Liability. THE FOREGOING WARRANTIES PROVIDED IN SECTION 6 HEREOF ARE EXCLUSIVE AND IN LIEU OF ALL OTHER EXPRESS AND IMPLIED WARRANTIES (EXCEPT OF TITLE) INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Seller does not warrant its products to be suited for any particular purpose. Any suggestions made by the Seller concerning the product, its use, its performance, its production capabilities, quality requirements and/or suggestions with respect to design, engineering, use or the like, are to be construed as suggestions only and any and all specified intended uses should be confirmed by Buyer's independent testing. Any description of the product given to the Buyer by the Seller is for the sole purpose of identifying it, is not part of the basis of the bargain, and does not constitute a warranty that the product shall conform to that description. The use of any sample in connection with the sale is for illustrative purposes only, is not part of the basis of the bargain and is not to be construed as a warranty that the product will conform to that sample. None of the Seller's agents, employees, or representatives have any authority to bind Seller to any affirmation, representation or warranty other than those stated herein. Seller shall not be subject to any other obligations or liabilities whatsoever with respect to this agreement, products manufactured and/or distributed by it or any undertakings, acts or omissions relating thereto.

It shall be the sole responsibility of the Buyer and/or user to comply with all federal, state and local rules and regulations concerning the use of products described herein or on the face hereof and shall not be the responsibility of the Seller.

8. Cancellation and Return. No order accepted by Seller may be canceled or altered by Buyer except upon terms and conditions acceptable to Seller as evidenced by written consent signed by duly authorized personnel of Seller. In the event of such approved cancellation by Buyer, Seller shall be entitled to payment for all finished and in-process products, as well as any cost incurred in the preparation of Buyer's order to the date of cancellation.

Products may be returned to the Seller only with Seller's written permission, signed by duly authorized personnel of Seller, having been obtained by Buyer, in advance. Products may not be returned unless they are in marketable condition. Products manufactured to special order are not subject to return. Returned products must be securely packaged to reach Seller without damage; and any cost incurred by Seller to put products in marketable condition will be charged to Buyer.

9. Patents, Trademarks and Copyrights. Any products furnished by Seller to Buyer manufactured in accordance with drawings, designs or specifications proposed or furnished by Buyer or any claim of contributory infringement resulting from the use or resale by Buyer of products sold hereunder, Seller shall not be liable, and Buyer shall indemnify Seller and hold Seller harmless from and against any and all losses, liability, damage, claim or expenses (including but not limited to Seller's reasonable attorneys fees and other costs of defense) incurred by Seller as a result of any claim of patent, trademark, copyright or trade secret infringements or infringements of any other proprietary rights of third parties.

10. Disclaimer of Consequential and Incidental Damages and Other Liability; Buyer's Indemnity. Seller's liability with respect to breaches of warranties shall be limited as provided in Sections 6 and 7 hereof. With respect to other breaches of this

contract, Seller's liability shall in no event exceed the contract price. SELLER SHALL NOT BE SUBJECT TO AND DISCLAIMS: (a) ANY OTHER OBLIGATIONS OR LIABILITIES ARISING OUT OF BREACH OF CONTRACT, EXPRESS OR IMPLIED WARRANTY, OR UNDER STATUTE; (b) ANY OBLIGATIONS WHATSOEVER ARISING FROM TORT CLAIMS OR ARISING OUT OF OTHER THEORIES OF LAW WITH RESPECT TO PRODUCTS SOLD OR SERVICES RENDERED BY SELLER, OR ANY UNDERTAKING, ACTS OR OMISSIONS RELATING THERETO; WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER SPECIFICALLY DISCLAIMS LIABILITY FOR THE TORTS OF NEGLIGENCE, MISREPRESENTATION, AND STRICT LIABILITY; (c) ALL CONSEQUENTIAL, INCIDENTAL AND CONTINGENT DAMAGES WHATSOEVER; AND (d) ALL LABOR OR OTHER COSTS INCURRED IN REPAIRING, REMOVING, INSTALLING, SERVICING OR HANDLING OF ANY PRODUCTS.

Without limiting the generality of the foregoing, Seller specifically disclaims any liability for penalties (including administrative penalties), special or punitive damages, DAMAGES FOR LOST PROFITS OR REVENUES, loss of use of products or any associated equipment, cost of capital, facilities or services, down time, cost of recalls shut down or slow down costs, or for any other types of economic loss. All of the limitations and disclaimers contained in this paragraph and in the rest of this contract shall apply to all claims of Buyer's customers or any third party.

Buyer shall indemnify Seller against any and all losses, liabilities, damages and expenses (including, without limitation, attorneys fees and other costs of defending any action) which Seller may incur as a result of any claim by Buyer or others arising out of or in connection with the products and/or services sold hereunder and based on product or service defects not proven to have been caused solely by Seller's negligence.

SELLER'S PRICES ARE BASED ON THE POLICIES STATED HEREIN WHICH LIMIT ITS LIABILITY. IF BUYER DESIRES FOR SELLER TO PROVIDE A WARRANTY GREATER THAN THAT WHICH IS STATED ABOVE, THEN THE SELLER WILL ADJUST UPWARDS THE PRICE FOR THE PRODUCTS DESCRIBED HEREIN OR ON THE FACE HEREOF TO REFLECT THE ADDITIONAL EXPENSE TO SELLER WHICH SUCH A WARRANTY OBLIGATION COULD CAUSE. BUYER ACKNOWLEDGES THAT SELLER'S PRICE IS LOWER THAN IT OTHERWISE WOULD BE BECAUSE OF SELLER'S LIMITED WARRANTY AND DISCLAIMER OF TORT LIABILITY, AND SPECIFICALLY BECAUSE OF SELLER'S DISCLAIMER OF THE TORTS OF NEGLIGENCE, MISREPRESENTATION, AND STRICT LIABILITY. BUYER FURTHER ACKNOWLEDGES THAT THE LOWER CONTRACT PRICE GIVEN IN EXCHANGE FOR SUCH DISCLAIMERS FORMS PART OF THE BASIS OF THIS BARGAIN.

No waiver, alteration or modification of the foregoing shall be valid, unless made in writing and signed by an executive of Seller. Seller reserves the right to alter product designs and materials, when conditions warrant, without notice.

11. Solvency. Buyer hereby represents and warrants to Seller that Buyer is solvent as of the date of this writing and will remain solvent at the time of delivery. In the event Buyer is not solvent at the time of delivery, the fact of such insolvency shall in and of itself constitute a rightful rejection of the products under §402.602 of the Wisconsin Statutes. Buyer agrees to provide Seller with immediate written notice of such insolvency by facsimile to Seller at (262) 241-8712. Furthermore, in the event Buyer is not solvent at the time of delivery, this document shall serve as notice of Seller's intent to reclaim all products delivered hereunder and shall create a security interest in all such products.

12. Mandatory Arbitration. The mandatory arbitration provisions of these Terms and Conditions of Sale shall be liberally construed so as to require the arbitration of all claims and disputes of every kind and nature, whether arising out of contract, tort, statute, common law or any other theories of liability and/or recovery in law and/or equity.

Without in any way limiting the above expressed intent, all "Disputed Claims" shall be resolved by mandatory arbitration and shall include, but not be limited to: any differences, claims, matters in dispute, or controversies of every kind or nature as to the existence, construction, validity, interpretation, meaning, performance, non-performance, enforcement, operation, breach, continuance, termination, misrepresentations (both in its formation or its execution), compliance with Federal, State or Local statutes, ordinances, or regulations and any other theories of liability and/or recovery in law and/or equity, arising from or related, either directly or indirectly, to these terms and conditions, the contract of which they are a part, or the matters discussed herein.

All Disputed Claims shall be submitted by the parties to arbitration in accordance with this Agreement and the Wisconsin Arbitration Act, Chapter 788 of the Wisconsin Statutes, if that Act is applicable, and if not, in accordance with the provisions of the United States Arbitration Act, 9 U.S.C. §1 et. seq., or any revisions or recreations of those Acts. In the event of arbitration, each party shall select an arbitrator within thirty (30) days of submission of any Disputed Claims to arbitration. If an arbitrator timely selected by a party is unable, for any reason, to serve until the making of a decision or an award, that party may name a successor arbitrator. If either party fails to designate an arbitrator within the thirty (30) day period, that party's right to name an arbitrator (or any successor arbitrator) is forfeited, and any arbitrator timely named shall select a second arbitrator. The first two arbitrators shall then [within thirty (30) days of the selection of the last of them] jointly select a third arbitrator, the three arbitrators of which shall constitute the "Arbitration Panel". If the two arbitrators to be selected by the parties are unable to agree upon the selection of a third arbitrator, the third arbitrator

shall be supplied by the Circuit Court for Ozaukee County, Wisconsin. Each party shall reach an agreement with the arbitrator named by that party on the compensation to be paid to that arbitrator and shall disclose that agreement to the other party and the other arbitrator. The Arbitration Panel shall render its final decision within six (6) months of the selection of the Arbitration Panel. The Arbitration Panel shall conduct all proceedings in Mequon, Wisconsin.

In the event a party forfeits its right to select an arbitrator, then the second arbitrator shall be paid by the forfeiting party upon the same terms as the non-forfeiting party compensates its appointed arbitrator. The parties shall each pay one-half (1/2) of the fees and expenses of the third arbitrator as billed by that arbitrator to the parties.

Notwithstanding any other provision to the contrary, the parties agree and consent to the taking of depositions and the use of discovery in accordance with the Federal Rules of Civil Procedure and the Wisconsin Statutes. Furthermore, an aggrieved party prior to the naming of the Arbitration Panel as provided for in this Agreement, may petition the Circuit Court for Ozaukee County, Wisconsin, for such temporary equitable relief as the court may determine is appropriate under the circumstances to maintain the status quo until the appointment of the Arbitration Panel as provided for herein.

After submission of the Disputed Claims to arbitration, but not less than ten (10) business days prior to commencement of the arbitration proceeding in which the Arbitration Panel will finally and fully resolve the Disputed Claims, each party shall provide the other party with a final confidential written settlement offer which shall not be disclosed to the arbitrators prior to the arbitration proceeding. If no settlement is reached, the "Prevailing Party", as defined below, shall be entitled to reimbursement of its reasonable legal fees and expenses and its share of all fees and expenses paid to the arbitrators as part of its final award. In addition to the resolution of the Disputed Claims the Arbitration Panel shall also determine which of the parties, if any, shall be deemed the "Prevailing Party". A party shall be deemed the "Prevailing Party" only if the award rendered by the arbitrators is more favorable to the Prevailing Party than the Prevailing Party's final written settlement offer to the other party, which shall only be disclosed to the arbitrators after they have reached their final decision with respect to the Disputed Claims. The Arbitration Panel may also determine that neither party is a Prevailing Party for purposes of the standard set forth in this subparagraph.

The arbitrators shall be prohibited from awarding punitive damages even if a party would have otherwise been entitled to recover such damages under Federal, State or Local statutes, ordinances or regulations absent this Agreement. The arbitrators shall prepare detailed findings of fact and conclusions of law when rendering their decision.

13. Severability. Each provision of the agreement shall be considered severable and if for any reason any provision or provisions hereof are determined to be invalid and contrary to law, to the extent permitted by law, such invalidity shall not impair the operation of or affect those portions of this agreement which are valid.

14. Final Agreement. This writing is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms and conditions of their agreement. Any subsequent modification or amendment to it may be made only in writing signed by both parties hereto. This writing and these terms and conditions shall be governed by and construed according to the internal laws of the State of Wisconsin.