

**TERMS OF SALE OR ACKNOWLEDGEMENT
SHERWOOD VALVE LLC
SUPERSEDES ALL PREVIOUS TERMS AND CONDITIONS OF SALE
Revised December 2009**

ACCEPTANCE OF TERMS AND CONDITIONS

The acceptance of the Terms and Conditions contained herein is an essential prerequisite to any contract of sale made by Seller. Any offer or acceptance by Seller is made subject to the terms and conditions contained herein and no additional or different terms offered by Buyer shall become apart of the Agreement of Sale between Seller and Buyer unless such terms have been expressly approved in writing by an authorized agent of Seller. If this document is an offer, acceptance of this offer is expressly limited to the terms hereof, and Seller reserves the right to withdraw this offer at any time before its acceptance by Buyer. If this document has been issued by Seller in response to a written offer made by Buyer, Seller's acceptance of Buyer's offer is expressly conditioned on Buyer's assent to the additional or different terms contained herein. If these terms and conditions are not acceptable, Buyer shall notify Seller in writing at once. Buyer's action in (a) accepting any goods manufactured and delivered hereunder, or (b) receiving this document without disaffirmance within three (3) business days of receipt shall constitute an unqualified acceptance by Buyer of the Terms and Conditions contained herein.

PAYMENT TERMS

All prices do not include local, state or federal taxes. Taxes are for the account of the Buyer. Payment of shipping costs will be in accordance with the provisions on the face hereof. Payment terms appear on the face of Buyer's invoice. All orders are subject to credit approval. Buyer agrees that if any invoice or part thereof is not paid when due, a finance charge in the amount of 1-1/2% per month (but not exceeding the maximum interest rate permitted by law) may be imposed by Seller on all amounts past due. If Seller is required to institute legal proceedings or assign the collection to a collection agency for collection of any invoice or part thereof Buyer shall be liable for all collection costs including legal fees incurred.

DELIVERY

All delivery terms and dates are subject to the availability of the necessary shop space, transportation and production hours.

CANCELLATION/LATE CHARGE

Cancellation of order or portions thereof will not be accepted after material has been purchased or fabrication has been started and will subject Buyer to special, direct, indirect and consequential damages.

JURISDICTION AND VENUE

The validity, performance and interpretation of this Agreement shall be governed by the laws of the Commonwealth of Pennsylvania and of the United States except for any such law which incorporates the United Nations Convention on Contracts for the International Sale of Goods or any other International Law. The parties agree that any controversy arising under this Agreement shall be determined by the federal or state courts situated in the Commonwealth of Pennsylvania, and both parties hereby submit and consent to the jurisdiction and venue of said courts.

CLAIMS

The Seller will not be responsible for handling, storage, demurrage or any other transportation or accessorial service on orders for shipment outside the United States.

TOLERANCES & VARIATIONS

Unless otherwise specified by Buyer in writing on front of these Terms of Sale, all goods will be subject to tolerances and variations consistent with usual trade practices regarding dimensions, straightness, section, composition and mechanical properties and normal variations in surface and internal conditions and quality and will also be subject to deviations from tolerances and variations consistent with practical testing and inspection methods.

FILINGS

Buyer upon request of the Seller will execute any documents necessary, including UCC statements to evidence Buyer's indebtedness to Seller.

COMPLIANCE

Seller states its intention to comply with all Federal laws applicable to Seller's performance.

DELAY

Seller will not be responsible for any delay in performance due to acts of God, war, riots, embargoes, acts of civil or military authorities, fires, floods, accidents, quarantine restrictions, mill conditions, strikes, differences with workmen, delays in transportation, shortage of cars, fuel, labor, or materials, or any cause beyond the reasonable control of the Seller.

LIMITED WARRANTY

Seller warrants its product free of defects in material and workmanship under normal use in service for the purpose for which the product was manufactured for a period of one (1)* year from the date the product was shipped from Seller's manufacturing plant to the first purchaser. Seller will, at its option, repair or replace without charge any defective item covered by this warranty. This WARRANTY EXTENDS ONLY TO THE FIRST PURCHASER of the Seller's product and does not extend to a consumer who purchases Seller's product from a dealer or otherwise. ALL OF SELLER'S WARRANTIES OF THE PRODUCT ARE EXPRESSLY SET FORTH HEREIN AND ARE IN LIEU OF ALL OTHER WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED IN FACT OR BY LAW, SAVE FOR THE IMPLIED WARRANTIES OF SELLER'S TITLE, IT'S RIGHT TO TRANSFER THE PRODUCT AND THE FREEDOM THEREOF FROM ENCUMBRANCE.

THE REMEDIES SET FORTH HEREIN ARE EXCLUSIVE. SELLER SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL, OR INCIDENTAL DAMAGES RESULTING FROM THE DELIVERY, USE OR FAILURE OF THE PRODUCT (INCLUDING LOSS OF ANY MATERIALS STORED IN PRODUCT), OR FROM ANY OTHER CAUSE WHATSOEVER. BY ACCEPTING DELIVERY OF THE PRODUCT SOLD HEREUNDER, THE BUYER ACCEPTS THIS LIMITATION OF REMEDIES AS REASONABLE AND ENFORCEABLE. IN NO EVENT SHALL SELLER'S LIABILITY EXCEED THE PURCHASE PRICE FOR THE PRODUCT.

This warranty does not cover damage caused by misuse or negligence and does not cover or apply to any product, accessory, part or attachment which is manufactured by someone other than Seller.

If Buyer believes that any part of Seller's product is defective, Buyer must give written notice to Seller at the address on the reverse side of this document before the expiration of the initial warranty period, giving details as to date and place of purchase, serial number and alleged defect. Seller will then give written instructions to Buyer regarding the manner in which the defective item is to be repaired or replaced. Buyer may be requested to return the item at Buyer's expense, but no return should be made until Buyer has received written instructions from Seller. Seller will then perform under this warranty within thirty (30) days after the defective item is returned to Seller.

THE ABOVE EXPRESS WARRANTY IS IN LIEU OF ANY WARRANTY OF MERCHANTABILITY AND ALL OTHER EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THIS PRODUCT. ALL WARRANTIES ARE LIMITED IN DURATION TO A PERIOD OF ONE (1)* YEAR FROM THE DATE THIS PRODUCT WAS SHIPPED FROM SELLER'S MANUFACTURING PLANT.

This warranty gives Buyer specific legal rights, and you may also have other rights which vary from State to State.

***with the exception of propane valves and regulators which have a three year warranty**