

DRAFT: DECEMBER 11, 2006

TO BE INCORPORATED ON REVERSE SIDE OF PURCHASE ORDER

**SENTINEL MANAGEMENT, INC.
AN OHIO CORPORATION DOING BUSINESS AS "SEMCO CARBON"**

TERMS OF PURCHASE

This Purchase Order by SENTINEL MANAGEMENT, INC., an Ohio corporation doing business as "Semco Carbon" ("Semco") is expressly limited to and made conditional upon the terms and conditions contained herein, and any of the Seller's terms in addition to or different from those contained herein, whether contained on an acknowledgement, invoice or other document sent to Semco, is hereby objected to and shall be of no effect. Delivery or shipment of any goods or commencement of any services in response hereto shall be deemed acceptance of the terms hereof.

1. Price. The prices set forth on the face hereof are firm prices, and Semco will not be liable for any price increases of any nature.
2. Import Duty and Taxes. The prices set forth on the face hereof are inclusive of duties and excise taxes.
3. Payment. Payment shall be due and payable by Semco according to the terms stated on the face hereof. Semco may offset any amounts owed to Seller hereunder against any amounts owed by Seller to Semco arising from this or any other contract, obligation, or liability.
4. Warranties of Seller. By accepting this order or by delivering to Semco the items ordered, or by rendering for Semco any of the services ordered herein, Seller hereby warrants that the goods and services to be furnished hereunder: (a) will be in full conformity with Semco's specifications, drawings, samples, and data or other description furnished or specified by Semco; (b) will be of the highest quality and free from defects in materials and workmanship (including defects in design); (c) will be merchantable; (d) will be fit and sufficient for the use and purposes intended by Semco; (e) will be free of all liens and encumbrances; (f) will comply with all applicable laws and governmental regulations; and (g) will not, either alone or in combination with other material, infringe or contribute to the infringement of any patents, trademarks, or copyrights in the United States or any foreign country or result in a violation of the laws relating to unfair competition or a claim arising thereunder. Seller agrees that these warranties shall survive acceptance of the items. Said warranties shall be construed as conditions as well as warranties, will run to both Semco and its customers, and will be in addition to any warranties of additional scope given to Semco by Seller.
5. Indemnification. Seller agrees to indemnify and hold Semco and its customers harmless from any and all liabilities, including all costs, losses, expenses, and attorneys' fees, which may be incurred by Semco for damages or injuries arising out of any defect in material or design delivered or furnished hereunder or any breach of Seller's warranties. By accepting this order, Seller agrees to defend at Seller's own expense all suits, actions, or proceedings in which Semco, or any of Semco's distributors, dealers, or customers, are made defendants for actual or alleged infringement or any U.S. or foreign patents, trademarks, or copyrights or for actual or alleged violation of the unfair competition laws

or any claim arising thereunder resulting from the use or sale of the goods purchased hereunder, either alone or in combination with other materials. Seller further agrees to pay and discharge any and all judgments or decrees which may be rendered in any such suit, action, or proceedings against such defendants therein.

6. Inspection. All materials are subject to final inspection weighing and acceptance by Semco. Semco reserves the right to reject, refuse to accept, or revoke acceptance of, goods (whether or not Semco has paid for the goods), which are not in accordance with Semco's instructions, specifications, drawings, and data, or Semco's warranty. Semco will charge Seller for the cost of inspecting merchandise rejected or for which acceptance is revoked. Goods not accepted or for which acceptance is revoked will be held for Seller's instruction at Seller's risk and, if Seller so directs, will be returned at Seller's expense. No goods returned hereunder shall be replaced, unless requested by Semco in writing, without a new Purchase Order or other written instruction from Semco. If Semco so requests, Seller shall replace any nonconforming goods with conforming goods at no additional cost to Semco. For any goods rejected or for which acceptance was revoked by Semco that are held more than 30 days without a proper return authorization, Seller will be charged a reasonable storage charge. Payment for any goods or services purchased hereunder shall not be deemed an acceptance of such goods or services.
7. Transportation Charges. Seller shall be liable for any increase in freight or transportation charges arising from Seller's failure to follow shipping instructions specified on the reverse side hereof or otherwise provided to Seller.
8. Semco's Rights and Remedies. In the event of a breach by Seller of any of the terms and conditions hereof, Semco will have, in addition to all other rights and remedies, the unlimited right to recover from Seller the damages caused by such breach, whether they be direct, indirect, incidental, special, or consequential (including procurement costs and loss of profits). Acceptance by Semco of all or any part of the materials shall not be deemed to be a waiver by Semco of any such rights and remedies.
9. Delivery. Promptness of delivery is of the essence of this order. Deliveries are to be made both in quantities and at a time which is specified on the reverse side hereof, or in schedules furnished hereunder (or otherwise) by Semco. Semco will have no liability for payment for material or items which are in excess of quantities specified to Seller hereunder, nor shall Seller manufacture the materials or items in advance of receiving quantities specified by Semco, nor will Semco be liable for goods or services that go beyond the face of this purchase order. In the event of any late delivery, Semco may, at its option, cancel this purchase order, partially cancel this purchase order, vary delivery terms hereunder, or purchase substitute items or services elsewhere. Any losses sustained or costs incurred by Semco by reason of late delivery of items or rendering of services shall be paid to Semco by Seller. All items shall be packed by Seller in suitable containers for protection of the items. No charge shall be made by Seller for packaging unless otherwise provided for in this purchase order. Any provisions herein for delivery of goods or the rendering of services by installment shall not be construed as making the obligations of Seller severable.

10. Title and Risk of Loss. Notwithstanding any agreement to pay freight or any shipping instructions, Seller shall retain title to and shall bear the risk of any loss or damage to the materials ordered until delivery is accepted.
11. Complete Agreement. This purchase order and any contract formed between the parties shall include the terms and conditions set forth on the face and back hereof, and are intended by the parties as the final expression of their agreement, merging all prior negotiations and agreements, whether written or oral. No agreement or understanding to modify this contract shall be binding upon Semco unless in writing and signed by Semco. All specifications, drawings and data submitted to Seller with this order are hereby incorporated herein and made a part hereof. The foregoing terms and conditions supersede and nullify any conflicting provisions contained in Seller's acknowledgement or acceptance of this order.
12. Insolvency. Semco will have the unrestricted right to cancel this purchase order in the event of the happening of any of the following or any other comparable events, in which event Semco will have no liability of any nature, including, but not limited to, liability for termination expenses, restocking expenses, or lost or anticipated profits of Seller: (a) Seller's insolvency or commission of an act of bankruptcy; (b) commencement of proceedings by, for or against Seller under any law relating to bankruptcy or the relief of debtors; (c) the appointment of receiver or trustee for Seller; (d) the execution by Seller of an assignment for the benefit of the creditors; and (e) the determination by Semco, in its sole judgment, that Seller's financial condition is such as to endanger its performance hereunder.
13. Non-Assignment. The terms and conditions contained herein have been issued in reliance upon Seller's reputation and good standing. Therefore, under no circumstances may Seller make any assignment of this contract or any of its rights or obligations hereunder without the prior written consent of Semco. Payment to Seller absent receipt of written notice of assignment shall constitute full and complete discharge of Semco's payment obligations hereunder. Payment to an assignee of Seller's rights hereunder shall be subject to setoff or recoupment for any present or future claim or claims that Semco may have against Seller. Semco reserves the right to make direct settlements and/or adjustments in price with Seller under the terms of this order, notwithstanding any assignment of claims by Seller.
14. Non-Waiver. No waiver or failure to enforce compliance with any of the terms hereof by Semco shall constitute a waiver of Semco's rights to insist upon strict compliance with that or any other term of this order thereafter.
15. Governing Law. Any contract formed in connection with this purchase order is entered into in the State of Ohio, and the rights and duties of the parties hereto shall be governed by, and such contract shall be construed and interpreted in accordance with, the laws of the State of Ohio, without regard to its conflict of laws rules.
16. Arbitration. Any and all controversies arising out of or in connection with this purchase order, or any breach or cancellation hereof, shall be settled by arbitration before the American Arbitration Association in Cleveland, Ohio in accordance with its rules, and

judgment upon any award rendered by the arbitrator(s) maybe entered in any court having jurisdiction thereof.

17. Headings. The headings used in these terms and conditions are solely for the convenience of the parties and shall have no force or effect upon the interpretation of any provisions hereof.