

TEXAS HYDRAULICS HOLDINGS INC. PURCHASE ORDER TERMS AND CONDITIONS

The Texas Hydraulics Holdings Inc. operating company (Texas Hydraulics, Inc., Hydromotion Inc. or Precise Hard Chrome) identified as the CUSTOMER ("CUSTOMER") on the face of this order (the "Order") agrees to purchase, and the supplier identified on the face of the Order ("SUPPLIER"), agrees to sell the products, goods, materials, equipment and machinery ("Products") and/or provide the services ("Services") described in the Order including in any document, drawing or Schedule referred to or incorporated by reference therein ("Supplemental Documents"), subject to the following terms and conditions (these "Terms," and together with the Order and the Supplemental Documents, the "Contract Documents"):

1. *Acceptance; Purchase and Sale.* The Order shall be deemed to be accepted and shall be abiding contract for the sale of the Products and/or the provision of Services upon the first to occur of the following events: SUPPLIER executing and delivering an acknowledgement of the Order to CUSTOMER; SUPPLIER shipping or delivering the Products to CUSTOMER; or SUPPLIER commencing the performance of the Services. Upon acceptance of the Order, SUPPLIER shall (a) sell and deliver to CUSTOMER the Products requested in the Order in the quantities specified therein; (b) meet the delivery dates specified in the Order; and (c) provide the Products in accordance with the Contract Documents.

2. *Price and Payment.* CUSTOMER agrees to pay SUPPLIER for the Products in accordance with the prices set forth in the Order, which shall be inclusive of all taxes, fees or other charges. Unless otherwise specified in the Order, all Products shall be shipped DDP (Incoterms 2010) to the point of delivery set forth in the Order. If specified in the Order, SUPPLIER agrees to use only the carriers designated by CUSTOMER, and SUPPLIER shall be responsible for any premium freight charges incurred as a result of SUPPLIER's failure to meet any reasonable delivery date specified in the Order. Unless otherwise specified in the Order, payment terms are net 45 days.

3. *Precedence.* In the event of a conflict between the terms of any Contract Documents, precedence between such documents shall be determined in the following order:
(a) any Memorandum of Understanding shall be given the highest precedence;
(b) then the Order, including these Terms; and
(c) then, any other Contract Document except these Terms and the Order.

4. *Warranty.* In addition to any implied warranties and any warranties set forth in any Contract Document, SUPPLIER warrants that all Products delivered and Services provided pursuant to the Order will be free from any defects in material or workmanship and in conformity with any applicable specifications, and that SUPPLIER will have conveyed good title. Payment will not constitute approval or acceptance by CUSTOMER and CUSTOMER's right of inspection shall survive payment. CUSTOMER reserves the right to return or have reworked, at SUPPLIER's expense, any defective or nonconforming Products, Services or shipments received or provided contrary to the Contract Documents. If requested by CUSTOMER, SUPPLIER will correct or replace at SUPPLIER's expense the defective or nonconforming Products and Services within 30 days after notice to SUPPLIER of such defect or nonconformity, and all costs incurred in transporting the Products from CUSTOMER to SUPPLIER and return shipment to CUSTOMER will be borne by SUPPLIER. This warranty will then apply to the corrected or replaced Products and Services. Alternatively, at CUSTOMER's option, CUSTOMER may repair or correct the defective or nonconforming Products and Services at SUPPLIER's expense. Rejected or nonconforming Products and Services will not be deemed delivered on-time unless corrected or replaced Products and Services are delivered within the on-time period applicable to the original Order.

5. *Manufacturing and Service Standards.* SUPPLIER agrees to follow good manufacturing and service practices in the production of the Products and provisioning of the Services so that the Products and Services are of high quality, and comply with all applicable industrial or governmental industrial engineering and safety laws, regulations and requirements, whether state, local, or federal. SUPPLIER will comply with any reasonable request by CUSTOMER regarding manufacture of the Products or provisioning of the Services pursuant to any special drawings, plans, specifications or other requirements of CUSTOMER. With respect to Services involving the presence of SUPPLIER's employees or contractors on the premises of CUSTOMER, SUPPLIER shall comply with all of CUSTOMER's safety and security procedures and shall take all necessary precautions to prevent the occurrence of any injury to person or property during the progress of such Services.