

1. TERMS OF PAYMENT:

Prices are FOB Seller's Shipping Point in US currency only. The Seller will require 30% of the selling price from the Purchaser when the order is placed; 60% prior to shipment; 10% net 30 days after date of shipment regardless of whether or not product is installed at Customer's facility. Delinquent accounts shall bear interest at a rate of one and one-half percent (1 ½%) per month on the unpaid balance. Should the account be assigned to a licensed collection agency or attorney for legal action, all collection charges and legal fees shall be paid by Purchaser.

2. WARRANTY:

Seller warrants to the Purchaser that the design and equipment covered herein conform to the description and specifications, if any, on the attached quotation. The equipment manufactured by Seller is warranted to be free from latent defects in material and workmanship under normal use and service. The terms of this warranty, except as hereinafter provided, extend for one (1) year from the date of delivery or the period of two thousand (2,000) hours of use, whichever period occurs first.

If, after inspection by Seller, defect is confirmed, Seller will repair, replace or issue credit. The method of adjustment will be at Seller's option; and Seller reserves the right of deducting from adjustment, due allowance for usage received, and freight.

Seller will not accept any back charges for work done by Purchaser, unless authorized in writing by Seller.

This warranty does NOT cover: (1) Merchandise that has become inoperative because of: (a) wear occasioned by use, (b) misuse, (c) negligence, (d) accident, (e) incorrect maintenance, (f) use under abnormal conditions of temperature, dirt or corrosion, or use with abrasive or corrosive materials, (g) being repaired or altered in any way which, in Seller's judgment, affects its condition or operation. (2) Labor and incidental costs occasioned by removal, replacement or repair unless Seller has given previous specific written or telegraphic authorization.

(3) Merchandise sold by us which has been manufactured by and identified as the product of another company. This merchandise is subject to the warranties of such manufacturers. (4) Cost of repair and return transportation from Seller of merchandise determined not to be defective. (5) Freight and installation of replacement parts.

THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER EXPRESS AND IMPLIED WARRANTIES WHATSOEVER. THERE ARE NO IMPLIED WARRANTIES TO MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE.

3. LIMITATION OF LIABILITY:

Purchaser agrees that in no event shall Seller be liable for direct damages in excess of the contract price of the equipment in respect of which claim is made. Purchaser further agrees that in no event shall Seller on any claim of any kind have any liability for loss of use, loss of profits or for any indirect, incidental, contingent, punitive or consequential damages. Nothing in these terms or conditions shall be construed as to limit in any way the rights and remedies available under the Uniform Commercial Code.

4. ACKNOWLEDGMENT OF ORDER:

Submission of purchase order shall be deemed to constitute an acceptance of this proposal. All proposals are subject to change or withdrawal at any time prior to acceptance. When purchase order contains any written, printed or stamped provisions conflicting with the written, printed or stamped provisions of this proposal or Seller's acknowledgement of order, the terms and conditions of Seller's proposal and acknowledgement shall prevail. No stipulations, representations, agreements or understandings which conflict with these terms and conditions, shall be valid unless made in a writing contained in Seller's proposal or acknowledgement, or in documents annexed or referred to therein.

5. DRAWINGS AND SPECIFICATIONS:

In all cases where this proposal includes a drawing reference, a copy of the approved print or prints signed by the Purchaser must accompany the order. The Purchaser will check product size, location in building, and all interference and clearances and note any changes or interference on the print.

The design described on this proposal and shown on our drawings is the exclusive property of the Seller, and is submitted with the understanding that it is strictly confidential. If used, disclosed, reproduced or copied in whole or in part without our written consent, or used in any way prejudicial to the interest of this company, Purchaser shall be subject to a service and engineering charge of 10% of the amount of this proposal.

6. CONFIDENTIAL INFORMATION:

All information furnished or made available by Seller to Purchaser in connection with the subject matter of these Terms and Conditions or of Purchaser's Purchase Order shall be held in confidence by the Purchaser. Purchaser agrees not to use such information or disclose such information to others without Seller's prior written consent. The obligations in this paragraph will not apply to any information which (a) at the time of disclosure was or thereafter becomes, generally available to the public by publication or otherwise through no breach by the Purchaser of any obligation herein, (b) the Purchaser can show by written records was in the Purchaser's possession prior to disclosure by Seller, or (c) is legally made available to the Purchaser by or through a third party having no direct or indirect confidentiality obligation to Seller with respect to such information.

7. DESIGN CHANGES AND/OR MATERIAL SUBSTITUTION:

Seller reserves the right to institute design changes to the product as quoted due to technology changes or improvement in performance.

Seller also reserves the right to make any suitable substitutions of materials or components that do not affect the design or result expected from the operation of the product.

8. OWNERSHIP OF INTELLECTUAL PROPERTY:

All drawings, know-how, designs, specifications, inventions, devices, developments, processes, copyrights and other information or Intellectual Property disclosed or otherwise provided to Purchaser by Seller and all rights therein (collectively, "Intellectual Property") will remain the property of Seller and will be kept confidential by Purchaser in accordance with these terms and conditions. Purchaser shall have no claim to, nor ownership interest in, any Intellectual Property and such information, in whatever form and any copies thereof, shall be promptly returned to Seller upon written request from Seller. Purchaser acknowledges that no license or rights of any sort are granted to Purchaser hereunder in respect of any Intellectual Property, other than the limited right to use the Seller's proprietary Equipment purchased from Seller.

9. CANCELLATION:

Purchaser may cancel all or any of the equipment by written notice to Seller prior to ninety (90) days before the acknowledged shipping date. On receipt of cancellation notice all work on the goods cancelled will be stopped as promptly as reasonably possible. Purchaser agrees to pay to Seller contract prices for completed equipment and Seller's full costs (including burden and overhead) plus twenty (20%) percent for incomplete equipment. Seller reserves the right to complete and ship goods cancelled less than ninety (90) days prior to the acknowledged shipping date.

10. RETURNS:

Customer requests for returned goods will be evaluated on a case-by-case basis. Should a customer request to return equipment, a return materials authorization (RMA) must first be issued by the Seller. RMA's will be issued on the Seller's determination of the saleability of the returned equipment. Following issuance of a RMA number, credit for returned goods will be issued following receipt and inspection of equipment returned in an "as sold" condition. A 20% restocking charge will also apply to any returned equipment.

11. OSHA STANDARDS:

Purchaser is cautioned that all product sold by Seller must be used in such manner as to meet the requirements of OSHA. The Occupational Safety and Health Act of 1970, and the regulations issued from time to time thereunder. Seller believes that its product is capable of such complying use, but Seller

Terms and Conditions

does not represent, warrant or agree to indemnify regarding OSHA matters; and the only warranties Seller makes are those which are set forth and defined in the warranty section above. Final OSHA approval is Customer's responsibility at the location where the product is installed and used for production purposes.

12. FIRE PROTECTION SYSTEMS:

Detection and suppression equipment to conform to the requirements of OSHA, insurance underwriters, or other agencies having jurisdiction are not included in this proposal. The specific requirements for fire protection can be determined by contacting your insurance underwriter and local contractors who will supply and install the fire protection.

13. POLLUTION CONTROL DEVICES:

Unless specifically included in this proposal, Seller does not undertake to provide any devices that might be required by any local, state or federal laws, ordinances, regulations and the like, for pollution control; compliance with such requirements is the responsibility of the Purchaser.

14. PERMITS:

Purchaser is to provide and pay for all necessary building and erection licenses and permits.

15. PREPARATION OF SITE AND STORAGE:

Purchaser is to clear the location and make the place ready for the reception of the machinery and material in accordance with diagrams. Purchaser is to keep the site free from water, debris and other obstructions, and make required alterations to building, structures, and equipment (strengthening same if required for the proper support of the machinery and material) including cutting and repairing or leveling any floor, wall, and roof openings, such cutting work to be done in accordance with the final clearance requirements for the work.

16. PAINT, POWDER SUPPLY, WATER, AIR, PIPING AND ELECTRIC WIRING:

All piping of any nature, electrical wiring and power incident to the operation of product is to be furnished and installed by Purchaser unless otherwise specified. All valves, accessories, and components of the piping system incident to the operation of the product are to be installed by the Purchaser.

All controllers, instruments, safety devices, and such accessories are to be wired or piped (air) by Purchaser and installed on a control panel supplied by Purchaser unless otherwise specified herein. All water piping from tanks to pumps, from pumps to header manifolds, and all drain piping from tanks to central sludge systems to be furnished and installed by Purchaser unless otherwise specified herein. All coating product and utilities required are the Purchaser's responsibilities unless otherwise agreed to.

Any local, state or national code requirements (if required) are Customer's responsibility.

17. SUPERVISION AND ERECTION:

When it is specified under general description and specifications of the proposal that Seller is to supervise erection or install the product, it will maintain a competent foreman or superintendent who, in the selection and handling of his crew, shall observe Purchaser's interest and those of other subcontractors. Where installation is to be done by Seller, it will provide the necessary labor and will furnish all tools and other erection product necessary. Purchaser is to furnish Seller free of charge at the installation site whatever electric current, compressed air, fuel, water, lighting, heating, fire protection equipment, toilet facility, and fire watch that may be needed in the work of installation; also elevator crane, and lighting service, where available.

18. DELAY:

Seller shall not be liable for any failure or delay in manufacturing, shipment, or delivery of equipment resulting from any cause beyond Seller's control, including, but not limited to provisions, of law or governmental regulations, accident, explosion, fire, windstorm, flood or other casualty, strike, lockout, or other labor difficulty, riot, war, insurrection, and shortage of or inability to secure labor, raw materials, or production of transportation facilities. Shipping dates are approximate and are based on factory conditions at the time of quotation. In no case will Seller be liable for loss of profits, or any special, contingent, incidental, punitive or consequential damages, on account of any delay in delivery, whether or not excused hereby.

19. TRANSPORTATION:

Prices are FOB Seller's shipping point; Purchaser shall be solely responsible for the unloading of the product and moving it to the job site. Purchaser will assume risk of loss from any cause after delivery to carrier at Seller's shipping point. Unless otherwise stated in writing by Seller, all sales shall be made on an FOB Seller's shipping point basis, and Purchaser shall assume all responsibility and risk of loss in connection with the equipment upon shipment thereof, including all taxes of the sale, delivery or use. If Purchaser, for any reason, declines to receive said property ordered when tendered by Seller, any unpaid balance of the contract price shall, at once, become due and payable.

20. EXAMINATION:

Seller agrees to make product available to Purchaser for inspection prior to shipment. Purchaser shall accept the product, or notify Seller in writing of anything believed required to make the product acceptable. Provided, however, that, if the product meets the requirements of this proposal, it shall be accepted immediately. Purchaser agrees to make payment in full immediately. Purchaser further agrees to pay Seller for any additional expense incurred to complete required testing or erection. Purchaser agrees that final approval has taken place when product has been put into production or signed an acceptance certificate whichever comes first.

21. TITLE – RISK OF LOSS – INSURANCE – ASSIGNMENT:

Delivery of the equipment, from FOB Seller's shipping point to a carrier or Purchaser, shall constitute transfer of risk or loss. Title to the equipment shall remain with Seller until the full purchase price is paid. Purchaser agrees to keep the equipment fully insured with Seller as a named loss payee until the full purchase price is paid. Neither Purchaser nor Seller shall assign this contract without prior written consent of the other, which consent shall not be unreasonably withheld.

22. TAXES:

Sales and use taxes, excise, transportation or similar taxes or any import or export duty which is presently or may hereafter be imposed by any taxing authority are not included in the price of the equipment and if such taxes are not separately stated and collected at time of payment of sale price. Purchaser will hold Seller harmless from payment thereof.

23. PATENTS:

If parts or equipment produced on Purchaser's behalf and with Purchaser's specifications infringe, directly or indirectly, any patents in connection with which claims are made against Seller, Purchaser assumes full responsibility for everything done by Seller in producing such parts or equipment, and agrees to indemnify and hold Seller free and harmless against and from any and all losses, including but not limited to, expenditures made or incurred for judgments, settlements, damages, costs, attorney fees, investigation, litigation, negotiation, and any and all other losses and disbursements directly or indirectly related thereto.

24. INDEMNITY:

As to such parts or equipment produced in accordance with Purchaser's designs or specifications, Purchaser shall indemnify, defend and save Seller harmless from and against any and all loss, damages, liabilities, costs and/or expenses (including reasonable attorney fees) of any kind or nature whatsoever on account of injuries to or death of any person whomsoever, or on account of damage to any property whatsoever, arising out of, in any way connected with the use of such parts or products.

25. WAIVER:

Waiver by Seller of any breach of contract by Purchaser shall not be construed as a waiver of any other breach by Purchase.

If necessary, trace laws of United States of America apply to any disputes pertaining to sale of this product.