

**1. TERMS OF PAYMENT** (See Section 10 of Proposal)

1.1 PRICE See Price Page. All Payment are in U.S. Dollars unless alternate currency is specified within sales agreement.

1.2 CREDIT TERMS Buyer agrees to pay invoices according to credit policies outlined in this proposal.

1.3 LATE or SERVICE CHARGE 1-1/2 % per month service charge on all sums remaining unpaid at the expiration of 30 days from date of invoice. Buyer shall further pay all costs and expenses, including but not limited to reasonable attorneys' fees, Seller may incur in connection with the enforcement by Seller of any available remedy including but not limited to action by Seller for all or any portion of retail price of equipment and services sold hereunder

1.4 TAXES: In addition to the price of the proposed system, the Buyer is solely responsible to pay all sales, use, personal property, excise taxes, custom duties or any other taxes which may be imposed on sale of equipment as may be required at time of sale or asserted later If Buyer is exempt it shall be the Buyers responsibility to furnish Seller with documentation at time of order

**2. DELIVERY of TITLE AND RISK OF LOSS**

2.1 All equipment or components of a system will be shipped FOB/EXWORKS plant. or it's subcontracted facilities freight collect, unless specifically quoted otherwise.

2.2 Title to the equipment shall not pass to the Buyer until Buyer has performed all of his obligations under this Agreement, including but not limited to payment in full of purchase price. Seller retains security interest in the equipment and or system, until the purchase price and any changes in price as authorized by Buyer and or Seller are resolved to the satisfaction of Seller.

2.3 Buyer agrees to maintain insurance against loss by fire, theft or other hazard at least equal to the purchase price of the equipment until purchase price in completely paid to Seller

**3. DELAYS**

3.1 All deliveries quoted are estimates only. Seller shall make a good faith effort to maintain schedule as quoted.

3.2 Seller shall not be held liable for delays in transportation; any losses, damage, detention or delay caused by fire, strike, acts of God, civil or military authority insurrection, riot or any cause beyond Its control; any material furnished or repairs made by others; existing equipment or equipment supplied by other, (unless specifically included within work scope (defined herein)), or errors and/or deficiencies in plans and specifications, except plans and specifications prepared in full by the Seller.

3.3 If shipment of any order is delayed at the request of the Buyer, such order shall be subject to invoicing and payment as would have occurred per the original schedule. Should storage facilities be required, the Buyer shall be responsible for all costs.

**4. CHANGES**

4.1 No changes to this proposal or the resulting Purchase Agreement whether administrative or technical shall be made without the formal execution of a written "change order" executed by Buyer and Accepted in writing by Seller. This includes but is not limited changes to line rates, machine rates, feed rates, positioning time variables, equipment physical capacities, equipment dimensions, additions of material package or part sizes, additional control integration steps, revisions to materials or components required by Seller or other substantive changes to deliverable offered by Seller. The Seller reserves option to exchange make or model of component, or sub-system with unit of like or equal value at it's discretion. Buyer may specify make or model of component, or sub-system within written purchase order.

4.2 Buyer shall reimburse Seller for any additional expenses incurred as a result of execution of change order request. Seller shall credit buyer for any reduced costs resulting from said changes.

4.3 Acceptance of this offer is expressly limited to the Terms and Conditions herein and no different or additional terms contained in any purchase order, confirmation or other writing shall have any force or effect unless accepted in writing authorized officer of Seller.

4.4 Additional charges to Buyer from Seller must be agreed to and accepted and as Change Order prior to additional work commencing.

4.5 Any charges to Seller from Buyer must be agreed to as Charge Back and accepted in writing by Seller in advance of work being completed. No Charge Backs will be accepted after work is completed.

4.6 Acceptance of Buyers purchase order, which is contemplated as part of the documents responsive to this proposal, shall not operate to change in any way the Terms and Conditions of this offering, except when complying with the conditions for writing set forth above. Clerical or stenographic errors are not binding to Seller and may be corrected by Seller at any time of discovery.

**5. INSURANCE AND FINANCIAL DISCLOSURE**

5.1 Seller carries general liability statutory disability and workers compensation insurances as deemed by it to be adequate. A certificate of insurance will be provided upon request.

5.2 Buyer Terms & Conditions shall be based on creditworthiness per Dunn & Bradstreet Financial Rating Indicator, Bank References and Trade References.

**6 LABOR**

6.1 Seller reserves the right to use subcontractors at it's reasonable discretion in the performance of this Agreement. Unless otherwise indicated herein, installation labor may be nonunion labor at Seller's discretion.

6.2 Seller complies with equal opportunity employment act and does not discriminate on the basis of race, gender or handicap.

**7. PROVISION OF INSTALLATION**

7.1 Proposals which require equipment erection or installation by Seller are subject to the following conditions: (a.) Buyer shall provide for all necessary licenses, public inspections, permits, certifications and engineering approvals. (b.) Proposal based on one shift straight time basis, unless otherwise stated and does not include premium or overtime labor If for any reason Buyer requests overtime, second or third shift work, Buyer agrees to compensate Seller for all additional labor costs of the premium wage plus additional taxes and insurances. Buyer shall provide a clear work area , proper electrical service for processing lighting and operating power, repairs to roof, foundation and walls as required for proper installation and operation of equipment, sanitary facility and job site security including secure area for tool storage. (d.) The installation price (Section 5.0) is based on Buyer spotting equipment in the immediate proximity to installation site unless this service is specifically quoted within sales offering. (e) Buyer to provide all piping and house electrical power supply required unless specified otherwise herein. (f.) Seller shall be held harmless for all direct or indirect damages associated with installation, unless caused solely by negligence of Seller (g.) All labor estimates quoted merit shop scale unless specified otherwise. (h.) Buyer agrees to make all arrangements required for removal of all debris.(i) Buyer shall make known and provide to Seller all Hazardous Material Safety Data Information as is required by Law for work areas Sellers labor may come in near contact or proximity(k.) Cost of special handling equipment including cranes, power boom trucks, lift trucks and man lifts not included unless specifically specified within proposal.

## 8. PROVISIONS OF ACCEPTANCE

8.1 Except where otherwise stated within this sales agreement, Seller will demonstrate all system's and or equipment functionality per project specifications as described within this sales offering at Seller's facility, ( Factory Trial) Cost and time for this effort are included in the contract price herein. Buyer shall be provided several prospective dates for Factory Trial in advance. Buyer may provide a representative to observe Factory Trial or accept system via electronic means. (VHS-Video) Upon successful completion of the Factory Trial the Buyer shall provide written acceptance of System or Equipment. Buyer may request additional test of system and or equipment functionality. Seller reserves the right to charge for additional testing services requested if in Sellers opinion the system and or equipment functionality per project specifications as described within this sales offering has been suitable demonstrated.

8.2 The Buyer may require a Commission Trial for System's and or Equipment at Buyer's installed location. The Commission Trial acceptance criteria must be agree to by both the Seller and Buyer and included as part of this sales agreement. If not quoted by Seller this service may be considered a change on project scope and billed accordingly. The System's or Equipment, will be deemed accepted by Buyer upon the date on which the system commission trial has been satisfactorily completed per the terms, provisions and acceptance criteria, if required, as incorporated within this agreement.

8.3 Should the System's or Equipment fail to meet the terms, provisions and acceptance criteria as agree to by both the Seller and Buyer and included as part of this sales offering the following may occur: (i) with the Buyer's approval the Seller shall make corrections, at it's expense, to the System's or Equipment. Upon completion of corrections additional testing may occur until the project specification and acceptance criteria are met by Seller . (ii) the Seller may offer the System's or Custom Equipment at a reduced cost or alternate payment terms to the Buyer. The Buyer assumes no obligation to accept the System's or Custom Equipment at a reduced price. (iii) Without agreement to (i) and or (ii) Seller will refund all deposits made towards the purchase of this System's or Custom Equipment by Buyer for and void this sales agreement.

8.4 Until accepted in writing the Buyer may not make productive use of the System's or Custom Equipment without written approval from Seller. In the event the system is placed in any productive use whatsoever without the Seller's written authorization the System's or Equipment shall be deemed "accepted". Said acceptance is "as is" and final payment is due in full.

8.5 Upon the date of acceptance of system or equipment the Limited Warranty (Section 10) provided herein is the corrective remedy available to Seller.

## 9. SOFTWARE LICENSES

9.1. For the purpose of this agreement, the "third party software" means software owned by licensed directly to Buyer by, and supported by third parties.

9.2 For purposes of this agreement, the term "Seller Support Software" includes process control software code supported, developed and owned by Seller. In consideration of the software license fees paid under this Agreement.

9.3 Buyer is granted a nonexclusive, non transferable, single-site, single application license to use the Seller software and documentation associated with it for Buyer's own internal use, and to make backup and archival copies as reasonable deemed necessary by Buyer. Seller does hereby authorize Buyer to make changes to process control software code but provides no warranty for any specific use or purpose to software to control software code when altered in any manner.

## 10. LIMITED WARRANTIES:

Mechanical, Electrical and Electronic Equipment & Systems are provided by Seller including a Limited Warranty Any and all warranties are limited as follows:

10.1 Provided that the equipment is properly operated, maintained and managed by Buyer, all new equipment manufactured by Seller is warranted against defective workmanship and material and for operation as provided in written specifications for a period of one year of one shift operation or 2000 hours, from system acceptance or from shipment if installed by Buyer This warranty covers all parts and one-way transportation charges. If usage by Buyer exceeds one shift operation, the warranty period shall be reduced on a Pro Rated basis.

10.2 Warranty service on these products is provided on a return basis. Malfunctioning units shall be returned with insurance and shipping charges prepaid by Buyer The repaired/ replaced unit will be returned via DHL (surface). If requested, units will be returned by air freight or air express, the charge for which shall be borne by Buyer. Seller shall not be held liable for customs duties or other unusual expenses involved in obtaining warranted replacement parts.

10.3 This warranty shall be void if the system or equipment has either not been paid for to the full satisfaction of Seller; or, in the reasonable judgment of Seller., been misused or in any way altered or modified by the Buyer, including but not be limited to, the removal of any factory supplied warnings or safety devices affixed to the subject equipment.

10.4 Seller shall not be held liable for charges or repairs in the field unless such repair has been previously authorized Seller.

Seller does not provide warranty repair labor unless specifically specified within service agreement.

10.5 No equipment or component may be returned to Seller without having prior return authorization. Without such authorization, the company reserves the right to refuse and return shipments. Units returned to Seller "shipping" collect" will not be accepted. Buyer shall contact Seller's Customer Service Office to acquire a return authorization number prior to return of any equipment or component and shall mark the return authorization number conspicuously on the returned item(s) packaging.

10.6 This warranty does not cover preventive maintenance or inspection; these services may be provided on a flat-rate charge basis by Seller.

10.7 All components, equipment or devices not manufactured by Seller shall be defined as third party equipment for the purpose of this agreement. Buyer will look to the manufacturer of said equipment for warranty remedy. Seller may act as Buyer's agent to assist in warranty claim at it's option.

10.8 Sellers motor control, process control and data collection software is warranted to perform according to the specifications which are expressly made part of this Agreement. No additional warranties are extended for software after system acceptance as defined by Seller's sales proposal. After system acceptance all software warranty service provided hereunder is by back up software disk transfer only. Seller may support system by remote modem if this options is available and purchased by Buyer.

10.9 No representation or warranty expressed or implied, made by any sales representative or other agent or representative of Seller which is not specifically set forth herein shall be binding upon Seller

10.10 Seller warrants that neither the equipment nor the Seller systems will infringe any third party's rights under any copyright, trade secret or currently issued United States Patent.

10.11 THE FOREGOING WARRANTY IS IN LIEU OF AND EXCLUDES ALL OTHER WARRANTIES NOT EXPRESSLY SET FORTH HEREIN, WHETHER EXPRESSED OR IMPLIED BY OPERATION OF LAW OR OTHERWISE, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

**11. CONFIDENTIALITY**

11.1 Both parties agree to hold all confidential information supplied by the other party in confidence and not to make any use thereof other than for the evaluation of this proposal and performance of any subsequent agreement.

**12 REMEDIES**

12.1 Customer's remedies with respect to third-party software, controllers & computers as well as third party equipment and systems are set forth in the manufacturer's equipment warranty and in the applicable licenses.

12.2 Buyer remedies with respect to third party software and equipment shall be receive the limited warranties specified in paragraph 10.

12.3 IN NO EVENT SHALL SELLER BE LIABLE FOR (1) ANY EXEMPLARY, SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF BUSINESS, PRODUCTION OR PROFITS, LOSS OF USE, REGARDLESS OF THE FORM OF THE ACTION, WHETHER IN CONTRACT OR IN TORT; OR (2) ANY LOSSES OR DAMAGES RESULTING FROM ANY CAUSE THAT EXCEED THE MONIES PAID UNDER THIS AGREEMENT

12.4 Any controversy or claim arising under or related to this Agreement shall be settled by arbitration under the Commercial Rules of the American Arbitration Association. The prevailing party in any action or proceeding hereunder, will be entitled to reasonable attorneys fees. Nothing herein shall impair, waive or otherwise interfere with Seller's remedies as a secured creditor under Article 9 of the Uniform Commercial Code.

**13 TERMINATION**

If the Buyer cancels or repudiates this Agreement in whole or in part Seller shall, in addition to those remedies provided under applicable law including but not limited to Article 2, entitled Sales, of the Uniform Commercial Code be entitled to recover from Buyer the following:

13.1 All expenses incurred in removing equipment, supplies or other material from Customer's premises including, but not limited to, labor, material and transportation charges. 13.2 All costs or expenses, including attorneys' fees, incurred by Seller to its suppliers, subcontractors, or others as a result of or consequent to the cancellation or repudiation plus 15%. Nothing herein shall be construed to waive, limit, or otherwise deprive Seller of any remedy available at law or in equity for Customer's cancellation or repudiation of this Agreement UNDER U.S. LAW. Buyer shall not have the right to reject specified, approved and delivered equipment unless that equipment is proven defective.

**14 SAFETY**

14.1 Seller, provides written safety instructions within its installation manuals as well as safety warning signs, guards and devices which are furnished to be mounted on our equipment. The Buyer shall be responsible for maintaining and not removing these as well as following accepted industry practices for operating and maintenance good safety practices for operation of equipment of this type. Buyer agrees to train it's personnel in the safe operation and maintenance of equipment of this type.

**15 TURNKEY INSTALLATION GURANTEE**

15.1 Seller may provide, at Sellers option, a Turnkey Installation guarantee based on the following conditions:

15.1.1 Buyer purchases turnkey installation, operator training and commission testing for this project from Seller.

15.1.2 Commission testing of the systems performance using actual end user parts or packages is completed at Buyer's facility by Seller.

15.1.3 Receipt of payment in full for all goods and service provided with project to Seller's complete satisfaction.

15.2 System turnkey installation guarantee shall be extended to customer in addition to the limited warranty on defective material or workmanship as defined by Integrated Systems Terms & Conditions of Sale Document (rev. 04) Seller shall guarantee system continues to meet the project specification requirements for a defined period of operating hours from commission test and approval date.

15.3 In the event Buyer encounters problems with system meeting project specification during the performance guarantee timeframe then Seller shall provide service labor, materials and expenses to make corrections to the system to ensure system meets specification requirements

15.4 Buyer shall provide a valid P.O. to Seller for work to be scheduled. The cost of services rendered by Seller will be credited to Buyer if, at Seller's sole discretion, the cause of the performance problem was installation error or approval test error. If the cause of problem is not the direct result of installation or approval test error then the cost of services provided by Seller to Buyer shall be billable in full.

15.5 This guarantee is limited to equipment manufactured by Seller.

15.6 This guarantee is strictly limited to the value of the goods and services provided to Buyer with this project.

15.7 This guarantee is site specific and not transferable should equipment or system be relocated for any purpose after it has been installed, and commission tested by Seller.

15.8 This guarantee is void if any changes are made to the system without prior written authorization from Seller.

**16 GENERAL TERMS,**

16.1 Neither this Agreement nor any rights or obligations hereunder shall be assigned or otherwise transferred by Buyer without the prior written consent of Seller whose consent will not be unreasonable withheld. Seller may assign this Agreement entirely in its discretion upon the express written assumption of the obligations hereunder by the assignee.

16.2 This Agreement shall be governed, interpreted and enforced in accordance with the laws of the State of New York.

16.3 If any term or provision of this Agreement shall be found to be illegal or unenforceable the notwithstanding, this Agreement shall remain in full force and effect and such term or provision shall be deemed stricken.

16.4 Compliance with any specific codes and laws is included only if the Buyer has presented Seller, with those codes and laws and Seller specifically agrees to them herein.

16.5 Seller, reserves the right to change, modify, improve or substitute specifications for both mechanical and control items as long as they are of equal or better quality and functionality.

16.6 Agreement shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto, but nothing in this paragraph shall be construed as a consent to any assignment of this Agreement by either party except as provided herein above.

16.7 The waiver or failure of either party to exercise in any respect an y right provided for in this Agreement shall not be deemed a waiver of any further or future right hereunder

16.8 This Agreement contains the entire agreement between the parties and is a complete and exclusive statement of the terms of the Agreement. This Agreement supersedes all previous agreements, representations, understandings and negotiations.