

Conditions of Sale

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A. Acceptance

This quotation is void at our option unless a purchase order is placed with us within sixty (60) days from date of bid opening or date of written proposal. The order will be subject to written acceptance by our company's executive office. In the absence of this, the Buyer's written order will be valid. Our quotation is limited to only those technical portions of the Engineer's Mechanical Specifications specifically referred to herein, and to the terms and conditions of sale as outlined in our quotation. We will not be bound by any Terms and Conditions of the prime Contract not specifically included herein.

B. Terms

Net due thirty (30) days after the date of invoice unless otherwise stated in the proposal. These terms are subject to approval by our Credit Department. Your payment to us will not be dependent or contingent upon receipt of payment by you or any other parties. Any balance remaining due thirty-one (31) days beyond the due date will be subject to a monthly service fee until paid. Should we have to engage an attorney to collect the balance due us, including the service fee, you agree to reimburse us for all collection costs including reasonable attorney fees. The Buyer is responsible for all bank charges and fees in connection with payment. Payment by cheque is not approved until the cheque has been cashed by the Buyer's bank.

C. Taxes & Other Charges

Unless otherwise indicated, no Sales, Use, Retailer's Occupation, Service Occupation, Service Use, or similar taxes and similar charges, have been included in our prices. The amount of any such taxes or charges which are paid or assessed in connection with this order and which are not specifically stated as being included in the purchase price, shall be paid by you, either directly to the appropriate authorities (in which event you shall furnish us with satisfactory evidence of such payments) or to us if we have paid, or are required to pay, such taxes or charges. If you are tax exempt on this job, you will need to supply us with your exemption certificate. You agree to reimburse our company for taxes we must pay on your behalf. You are responsible for obtaining permits in connection with the sale or installation of our equipment.

D. Warranty

Landia Inc. warrants to Buyer that equipment sold hereunder, of its manufacture, is free from defect in material and workmanship, and is of the kind and quality designated or described herein. This warranty shall run to Buyer and, if applicable, such entity specifically identified in the Primary Contract only, but not to their employees, representatives, agents, customers, assignees, etc., and applies to those technical portions of the Engineer's Specifications only to the extent that they are referred to herein. This warranty shall be in full force and effect at the time of shipment of such equipment for a period of one (1) year from the date of invoice. Landia Inc. undertakes and reserves the right to free of charge to redress at their works or to exchange defect products. The parts replaced transfer automatically to the manufacturer's property and must be returned to them as agreed. Expenses or costs incurred with the return and re-assembly or corresponding arrangements and indirect loss and damage will not be compensated. The obligation of Landia Inc. to replace or redress such defective parts shall be the exclusive remedy hereunder. Buyer must give Landia Inc. notice in writing of any other alleged defect covered by this warranty within thirty (30) days of the discovery of such defect during the warranty period. No claim more than thirty (30) days after the warranty period shall be valid. The warranty extends to replaced parts of Landia Inc.'s manufacture for ninety (90) days or the remainder of the original warranty period applicable to the parts being replaced.

This warranty shall not apply to:

- A. Any equipment which has been subjected to misuse, neglect, or accident;
- B. Any equipment which has been altered, tampered with, or upon which corrective work has been done thereon without Landia Inc.'s specific written consent;

- C. Any equipment which has been operated or maintained in a manner which in any way deviates from the maintenance schedules, specifications, and parameters set forth in Landia Inc.'s Operator's Manual for such equipment.

No allowances will be made for any such alterations or corrective work done without the specific written consent of Landia Inc. Conditions caused by improper lubrication, deterioration by chemical action, and wear caused by the presence of abrasive materials, do not constitute defects. Equipment manufactured by others, and included in Landia Inc.'s proposal, is not warranted in any way by Landia Inc. but carries only that manufacturer's warranty, if any.

No representative of Landia Inc. has any authority to waive, alter, vary, or add to the items hereof without prior written approval.

THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER GUARANTEES AND WARRANTIES OF QUALITY, WRITTEN, ORAL OR IMPLIED; ALL OTHER WARRANTIES, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE ARE HEREBY EXPRESSLY DISCLAIMED.

E. Security Interest

Until all amounts due hereunder have been paid in full, Seller has a security interest in the equipment and has all rights of a secured party under the Uniform Commercial Code including, without limitation, the right to take possession of the equipment without legal process and the right to require Buyer to assemble the equipment and make it available to Seller at a place reasonably convenient to both parties. At Seller's request, Buyer shall execute any financing statement or statements submitted by Seller in order that Seller's security interest in the equipment may be perfected.

F. Changes & Delays-Cost

If you cause changes to be made, or delay or interrupt the progress of the work, you will reimburse us for any additional expense resulting from such cause. Any of such changes or delays which may adversely affect the operation of the equipment will nullify our warranty unless we consent in writing thereto.

G. Delays

We shall not be liable for delay in delivery caused by any reason beyond our control, including but not limited to your delay in promptly submitting all information necessary for us to proceed with the work, your delay in approval of drawings, acts of God, casualty, civil disturbance, labor disputes, strikes, transportation, supply difficulties, any interruption of our facilities, or any of the governmental authorities. In the event of such conditions, Landia Inc. is entitled to cancel the order or to extend the time for delivery specified herein during the continuance of such conditions and for a reasonable time thereafter.

H. Claims

Claims for errors or shortages existing prior to our delivery of the equipment to the carrier will be considered only when made to us immediately after receipt of shipment. Claims shall be confirmed in writing. Buyer shall immediately inspect the equipment upon receipt thereof. Seller is not obligated to consider any claim for shortages or non-conformance unless notified thereof by Buyer within eight (8) days after Buyer's receipt of equipment. Modifications to the equipment furnished by Landia Inc. to meet OSHA or local safety codes will be by others. Seller will supply only the safety devices, if any, described in the order. LANDIA INC. assumes no responsibility for any costs, direct or indirect, resulting from disapproval of our tender by the owner.

I. Transportation Expense

Unless otherwise noted, the prices shown in this proposal include freight to the destination shown, at lowest available freight rates on a common carrier of our choice. If you require us to ship another way, you will bear any additional expense. Landia Inc. will provide and maintain in responsible insurance companies, at its own expense, insurance against loss and damage to the equipment by fire or other casualty during transportation of the equipment from Landia Inc.'s works and to the final destination of the equipment. In order for our company to insure delivery, it is agreed by you and our company that you will provide us with an access road to and from the job site, which road is capable of supporting trucks. The responsibility for the protection of equipment will be yours after it is delivered to the job site. Damage to the equipment after delivery which is caused by vandalism, the elements or otherwise, will be your responsibility and not that of our company.

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J. Liability

It is expressly understood that our liability, including that for negligence, for our products is limited to the furnishing of such replacement parts, and that we will not be liable for any other expense, injury, loss or damage, whether direct or consequential, including but not limited to loss of profits, production, increased cost of operation, or spoilage of material, arising in connection with the resale or use of, or inability to use, our equipment or products for any purpose except as herein provided.

K. Liquidated Damages

If awarded this contract, we will diligently prosecute the engineering and fabrication of the proposed equipment; however, we are unable to accept any liquidated damages or penalty clauses for failure to complete shipment as designated in this proposal.

L. Installation Representative

At your request, and subject to our option and availability of personnel at time of requirement, we will provide the services of a competent person to advise you concerning the installation of the equipment covered by this proposal. These services are not supervisory but are advisory only, and are offered subject to the express understanding that our function and responsibility is limited to interpretation of assembly drawings and identification of materials for their proper location in the equipment or system layout. These services are offered on a "no risk" basis by Landia Inc.

In payment for such services, you will reimburse us at the current rate for each normal working day, or fraction thereof, that such person is absent from our plant on your business. The normal working day shall be eight (8) hours, between 8:00 AM and 4:30 PM, Monday through Friday, exclusive of holidays. All service performed by our representative at your request in addition to a normal working day, as herein defined, shall be classified as overtime work. If circumstances dictate that our representative shall work exclusively during hours other than those of the normal working day, arrangements can be made. The day rate is subject to change to the rate in effect at the time representative is furnished. You will also reimburse us for all transportation and living expenses incurred by our representative while absent from our plant on your business.

M. Cancellation

Cancellation or suspension of a contract will be accepted only upon terms that will indemnify Landia Inc. against loss. You agree to reimburse our company for our costs incurred in such cancellation, including overhead and administrative costs. Our company may cancel the order prior to or at the time of receiving the final approved drawings if our company deems itself insecure, or determines that it is commercially unreasonable for us to proceed. In this event, you will be refunded any and all deposits you have made to us.

N. Contract

We both agree that this contract contains the complete and final agreement between us and may not be modified, supplemented, explained, or waived by oral evidence, your purchase order, course of dealing, or in any other way, except where made in writing and signed by you and our company's authorized officer.

O. Arbitration

Any controversy or claim arising out of or relating to this transaction shall be settled in Cary NC by arbitration in accordance with the Rules of the American Arbitration Association, and judgement upon the award rendered by the Arbitrator may be entered in any court having jurisdiction hereof.

P. Confidential Information

All information and data herein furnished to Buyer hereunder, relating to price, size, type and design is submitted with the understanding that it is for the Buyer's own confidential use and is not to be shown or otherwise made known or available to any third party at any time without Seller's written consent.

Q. Validity

Should an individual section of these conditions – regardless of reason – be invalid, this will not affect the validity of the remainder.