

## STANDARD TERMS and CONDITIONS

### 1. Expiration of Quotations

Quotations are valid for 30 days from date unless otherwise specified on the quotation.

### 2. Pricing

Quotations must be accepted by Buyer within 30 days from date. Seller reserves the right to revise quotations prior to acceptance by Buyer. New quotations supersedes all previous quotations relative to this transaction by date.

### 3. Taxes

Unless otherwise indicated, quoted prices do not include any taxes, including, but not limited to, sales, use, excise or any other city, state or federal taxes, all of which shall be paid by Buyer.

### 4. Credit and Payment

A Buyer without established credit must provide Seller with credit references at the time of submitting a purchaser order. Upon receipt of a purchase order from Buyer and a review of Buyer's credit worthiness, Seller reserves the right, in its sole discretion, to require full payment prior to processing of the order. If immediate payment is not required by Seller, payment terms are as follows: All invoices shall be considered due 30 days after the date on each invoice (net 30) unless agreed in writing between Seller and Buyer. Seller will invoice Buyer for 50% of the order value upon release of the order to the factory. Seller reserves the right to invoice the remaining balance of all orders at appropriate completion intervals for the project, standard interval payments are, 50% on order, 35% on dispatch from the factory, and 15% on delivery of the goods to site.

A monthly charge of 1.5% (18% per annum) shall be added to past-due balances as defined in this paragraph. In the event Seller is required to retain an attorney to collect the balance due, Buyer shall pay all reasonable attorney's fees and costs incurred by Seller.

### 5. Cancelled Orders

Buyer shall be responsible for paying the following cancellation charges on all orders received by Seller: All units in the manufacturing process shall be charged at 100% of entire order. For units in production cycle not yet in manufacturing, 10% of each line item shall be charged.

### 6. Delivery

All goods shall be shipped F.O.B. the place of shipment using a common carrier selected by Seller. Additional costs incurred due to special shipping or handling instructions from the Buyer will be paid by Buyer at cost plus administrative and handling fees of 10% of the total shipping and handling charges which shall be paid to Seller upon completion of the order. Risk of loss shall pass to Buyer when the goods are delivered to the buyer or to the buyers freight forwarder. It is the responsibility of the buyer to report any damage to the carrier immediately and report the damage and name of the carrier to ELSPEC North America within 24 hours.

### 7. Product Specifications and Design

Buyer shall have the right, if requested, to approve the specifications and design of the goods in writing prior to Seller releasing the goods for production.

### 8. Acceptance of Product

The goods shall be deemed approved and accepted by Buyer in conformance with the specifications if Buyer does not deliver written notice of non-conforming goods to Seller within 10 days of the date of delivery.

**9. Warranties; Damages**

Seller warrants to Buyer that the goods sold hereunder will be free from defects in material and workmanship for a period of one year from the date of shipment, and will conform to the kind and quality upon which the quotation is based. The warranties and remedies as set forth herein are conditioned upon (a) proper storage, installation, use and maintenance of the product in conformance with any recommendations of Seller, and (b) Buyer promptly notifying Seller of any defects and, if required, promptly making the product available for correction. If the goods fail to meet the foregoing warranties, Seller shall repair or replace any defective or damaged part or parts or make available to Buyer F.O.B. Seller's plant or other point of shipment, any necessary repair or replacement parts excluding labor and shipping. This paragraph sets forth the exclusive remedies of the parties. The warranty as set forth herein shall expire one year from the date of shipment. The foregoing warranties are exclusive and in lieu of all other warranties.

**SELLER MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED. SELLER SHALL NOT BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES CLAIMED BY BUYER.** The limitation of warranties as set forth herein include, but are not limited to, claims for breach of contract, warranty, tortious conduct, and any other cause of action against Seller. Any claim for breach against Seller must be made in writing within one year from the date of shipment.

**10. Delays**

Seller will not be liable for any delay in delivery or for any damages suffered by Buyer by reason of such delay if delay is directly or indirectly caused by or in manner arises from fires, floods, accidents, civil unrest, acts of God, war, governmental interference, embargos, strikes, labor difficulties, shortage of labor, fuel, power, material or supplies, transportation delays, or any other cause or causes beyond the control of Seller. All orders are accepted with the understanding that they are subject to Seller's ability to obtain necessary material, equipment and labor.

**11. Limitation of Liability and Indemnification**

Buyer shall hold Seller harmless and indemnify Seller against all debts, obligations, costs, claims, and damages, including attorney's fees, arising from any claims or causes of action whether in law or in equity, sounding in contract, tort or otherwise, which may be asserted against Seller by any person or entity not a party to the agreement between Seller and Buyer which results from a subsequent sale by Buyer (including its agents, subsidiaries or affiliates), or reinstallation by Buyer.

**12. Governing Law**

The transaction with respect to the goods which are the subject of this quotation shall be governed and construed in accordance with the laws of the State of Illinois. The parties agree that any dispute between the parties will be resolved in the Circuit Court of the Fifteenth Judicial Circuit, Stephenson County, Illinois, said Court shall be the exclusive forum and venue for the litigation of any disputes.

**13. Agreement**

This quotation constitutes the entire agreement and understanding on the goods and supersedes and replaces all such prior and contemporaneous agreements either written or oral.

**14. Standard Terms and Conditions of Sale Control**

ALL QUOTATIONS, SUBSEQUENT SALES, AND PURCHASE ORDERS RECEIVED FROM BUYER ARE SUBJECT TO THE STANDARD TERMS AND CONDITIONS OF SALE AS SET FORTH HEREIN UNLESS OTHERWISE SPECIFIED WITHIN THE BODY OF THE QUOTATION WHICH IS ATTACHED. IN THE EVENT OF A CONFLICT BETWEEN THE TERMS AND CONDITIONS WHICH APPEAR HEREIN AND ANY PURCHASE ORDER OR OTHER WRITING FROM BUYER TO SELLER, THE STANDARD TERMS AND CONDITIONS OF SALE AS SET FORTH HEREIN SHALL CONTROL.