



STANDARD CONDITIONS OF SALE

GENERAL PROVISIONS

1. The definition of terms used, interpretation of this agreement and rights of parties hereto shall be construed under and governed by the Uniform Commercial Code of the State of South Carolina. "Seller" when used herein means I&M INDUSTRIALS, INC. "Purchaser" when used herein means the person, firm or corporation to whom this quotation is addressed. And "Equipment" means those articles, supplies, drawings, data or other property or services described herein. Any additional or different terms in Purchaser's order documents are expressly rejected.
2. All quotations are for immediate acceptance and subject to change without notice. If this proposal constitutes an acceptance of an offer, such acceptance is expressly made conditional on Purchaser's assent solely to the terms of proposal. An acceptance of any part of the Equipment or services covered hereunder shall be deemed to constitute such assent.
3. All sales are F.O.B. Seller's plant or point of shipment unless otherwise expressly stipulated. Such changes as may occur in the tariff freight rates or transportation charges used in determining delivered prices after date of quotation or sale and on or prior to dates of shipments, will be for the account of the Purchaser. All sales are subject to increase without notification by the amount of any sales or excise tax levied or charged by any governmental agency and are subject to any price adjustment necessitated by Seller's compliance with any government action.
4. Seller's responsibility for damages in transit ceases upon delivery of goods to carrier and Purchaser then assumes responsibility for damage determination and collection from carrier.
5. All shipping dates given are approximate, and while effort is made to maintain schedules, Seller will not be liable for damages on account of delay. In case of delay by Purchaser in furnishing complete schedules or information, delivery dates may be extended for a reasonable time depending on factory conditions. The Seller shall not be responsible for reasonable or excusable delays nor shall the Purchaser refuse to accept delivery because of any such delays. Excusable delays include, without limitation, delays resulting from accidents, fires, floods, severe weather or other acts of God, strike, lockout or other labor difficulties, embargoes, government controls or other forms of intervention, inability to obtain labor, materials or services and other causes beyond Seller's control. If there is a scarcity in any of its products or goods, Seller will allocate its available supply in its sole discretion.
6. All sales under all orders and these terms and conditions are subject to Seller and/or Government priorities, laws and regulations, now or hereafter established.
7. The Seller reserves the right to change, discontinue or modify the design and construction of any product or to substitute material equal to or superior to that originally specified, without notice to the Purchaser.
8. This proposal shall not become effective until accepted by an authorized official of the Seller. This proposal cannot be changed or varied by any verbal agreement and all orders are accepted under the provision set forth herein.
9. All claims by Purchaser against Seller for shortages in a shipment of Equipment or damaged or nonconforming Equipment must be made in writing to Seller within ten (10) days after receipt of shipment or thirty (30) days after date of shipment, whichever occurs first, or they are waived.
10. Any action for breach of the contract hereunder must be commenced within one year after the cause of action has accrued.

CANCELLATION

Purchaser cannot cancel orders under any circumstances without Purchaser first reaching an agreement in writing with Seller covering all Seller's damages. At a minimum, such an agreement must reimburse the Seller for all expenses incurred (including but not limited to costs of purchased materials), engineering costs, and a reasonable mark-up to cover overhead and profit. In every event, written permission must be secured prior to returning goods for credit.

INDEMNITY

Purchaser will indemnify, defend and hold Seller and its directors, officers, employees and agents harmless from any loss, claim, cost or damage (including payment of reasonable attorneys' fees) caused by any violation of law, negligence, omissions or intentional misconduct on the part of the Purchaser in the servicing, repair, modification, assembly, demonstration, or application of Equipment furnished by Seller.

SHIPMENT, PAYMENT AND CREDIT

Shipments and deliveries shall be subject to approval of Seller's Credit Department. If Purchaser fails to fulfill the terms of payment, Seller may defer

further shipment or at its option, cancel the unshipped balance. Seller reserves the right previous to making any shipments, to require from Purchaser satisfactory security for performance of Purchaser's obligation. No failure of Seller to exercise any right accruing from any default of Purchase shall impair Seller's right in case of any shipment default of Purchaser.

Terms of Payment:

- A. Domestic Order under \$100,000 – Net thirty (30) days from date of invoice.
- B. Domestic Orders over \$100,000 or with lead times greater than six months the following terms apply:
 - 30% of order value 30 days from customer's purchase order or upon drawing approval.
 - 30% of order value after passage of 1/2 of the time from date of customer's order to the originally scheduled shipment date.
 - 40% of order value, Net30 days from date of shipment.
- C. International – Unless otherwise agreed to by the Seller's Manager of Credit and Collection, payment shall be in U.S. Funds by irrevocable Letter of Credit, confirmed by a major U.S. Bank.

Delinquent accounts shall bear interest at 18% per annum thereafter, until paid. Said interest rate shall be reduced to the maximum permissible rate in any state having laws which so require.

LIABILITY

Seller's total liability for any and all claims' damages, losses and injuries arising out of or relating to Seller's performance or breach of any term herein shall not exceed the purchase price of the Equipment. IN NO EVENT, WHETHER IN CONTRACT, TORT OR OTHERWISE, SHALL SELLER BE LIABLE FOR LIQUIDATED, INDIRECT, EXEMPLARY, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, EXPENSES OR COSTS, INCLUDING BUT NOT LIMITED TO: (1) LOSS OF PROFITS, BUSINESS OR GOODWILL; (2) LOSS OF USE OF EQUIPMENT OR FACILITIES; OR (3) LOSS RESULTING FROM UNUSABLE MACHINERY OR FACILITY DOWNTIME, HOWSOEVER CAUSED AND EVEN IF THE POTENTIAL FOR SUCH DAMAGES WAS DISCLOSED AND/OR KNOWN.

DISCLAIMER OF WARRANTY

SELLER DOES NOT WARRANT THE MERCHANTABILITY OF ITS PRODUCTS AND DOES NOT WARRANT THE FITNESS OF THE EQUIPMENT FOR A PARTICULAR PURPOSE. SELLER DOES NOT MAKE, AND HEREBY DISCLAIMS AND EXCLUDES, ANY WARRANTY, EXPRESS OR IMPLIED, OTHER THAN THE WARRANTY CONTAINED HEREIN. THERE ARE NO WARRANTIES EXPRESS OR IMPLIED BEYOND THAT WHICH IS DESCRIBED BELOW.

WARRANTY

I&M INDUSTRIALS, INC. MAKES NO WARRANTY; THE ONLY WARRANTY IF ANY FOR COMPONENTS AND PARTS IS THAT OF THE MANUFACTURE. GENERALLY, MANUFACTURER WARRANTIES COVER REPAIR OR REPLACEMENT OF THE COMPONENTS AT THE MANUFACTURER'S DISCRETION.

CONFLICTING LAW

Some jurisdictions provide rights in addition to those listed above, or do not allow the exclusion or limitation of implied warranties, or liability for incidental or consequential damages. Any provision declared invalid shall be deemed severable and not affect the validity or enforceability of the remainder.

INFORMATION FURNISHED PURCHASER

Any design, manufacturing drawings or other information or materials submitted to the Purchaser and not intended for dissemination by Purchaser remain the exclusive property of I&M Industrials, Inc. and may not, without consent, be copied or communicated to a third party.

NOTE

Sale of the equipment or services described or referred to herein at the price indicated is expressly conditioned upon the terms and conditions set for on the front and back of these pages. Any confirmatory action by the Purchaser hereunder, or any acceptance of such equipment or services, shall constitute assent to said terms and conditions. Any additional or different terms or conditions set for in the Purchaser's order or other communications are objected to by Seller and shall not be effective or binding unless asserted to in writing by an authorized representative of Seller.