

Advanced Conversion Technology, Inc.

TERMS AND CONDITIONS

1. Acceptance of customer's order is expressly made conditional on assent to the terms and conditions set forth herein and on attachment(s) hereto and they shall constitute the complete agreement between parties. These terms and conditions may not be varied, or customer's order terminated in any manner, unless by a written agreement with legal consideration subsequently signed by an officer of Advanced Conversion Technology, Inc. (also referred to herein as "The Company"). Failure to specifically dissent to these terms and conditions within a reasonable time or customer's acceptance of any goods covered by this acknowledgement shall constitute acceptance of said terms and conditions and they shall be controlling in every case.
2. Unless stated to the contrary on the face hereof, all goods furnished hereunder will be shipped F.O.B. point of shipment, and title in and the right of possession to such goods pass to the customer upon the Company's delivery to carrier at point of shipment.
3. Prices on the goods covered by this quotation/ acknowledgement are firm for thirty days, unless otherwise stated.
4. Tooling, set-up, fitting-up, drawings, design information and partial preparation charges when invoiced, cover only part of the cost thereof to the Company. The customer does not acquire any right, title or interest in any tooling, set-up, fitting, drawings, design information or invention resulting therefrom.
5. Unless otherwise agreed, terms are net thirty (30) days from the date of invoice. All charges are payable in U.S. dollars. A service charge of 1½ percent per month not to exceed maximum rate allowed by law, shall be made on any portion of outstanding balance not paid within 30 days.
6. CANCELLATION: Cancellation of orders prior to initial shipment will be subject to a Cancellation Charge equal to 10% of the Order Value, or the value of materials and work performed on the cancelled Product at the time of cancellation, whichever is larger.
7. All shipping dates are tentative. The Company will not be responsible for delays or non-performance directly or indirectly caused by governmental regulations or requirements, acts of God, unavailability of materials, work stoppages, slow downs, boycotts, and other causes (whether or not similar in nature to any of these herein- before specific) beyond the Company's reasonable control.
8. This Company requires close coordination of the customer's requirements with the Company's production schedules to avoid possible delays in shipment. Accordingly, the Company reserves the right to ship in advance of requested shipping date, unless specifically prohibited.
9. THERE IS NO WARRANTY BY THE COMPANY THAT THE GOODS SHALL BE DELIVERED free from any claim of any third person by way of infringement. There is no undertaking by the company with respect to patent or trademark infringement.
10. The Company warrants that the articles delivered hereunder shall be free from defects in material, workmanship and fabrication. This WARRANTY shall extend for a period of one (1) year after date of delivery of such articles to customer. THE COMPANY MAKES NO WARRANTY, EXPRESS, IMPLIED (INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR INTENDED PURPOSE), OR STATUTORY, OTHER THAN THE FOREGOING EXPRESS WARRANTY. Failure of customer to submit any claim hereunder within three hundred sixty-six (366) days after receipt of such articles shall be an admission

by customer and conclusive proof that such articles are in every respect as warranted and shall release the Company from any and all claims by customer for non-conformance upon receipt. In the event customer timely submits a claim for breach of WARRANTY, the parties agree that customer's sole and exclusive remedy shall be the repair or replacement of such defective article or a refund of the price of the defective articles. In no event shall the Company be liable for incidental or consequential damages.

11. The Company shall have the right to suspend or cancel this agreement at any time upon customer making an assignment for the benefit of creditors or becoming bankrupt or insolvent, or upon a petition being filed in a court of competent jurisdiction proposing the appointment of a receiver or that the customer be adjudicated bankrupt or insolvent or reorganized under the provisions of any applicable bankruptcy or insolvency act.

12. The Company represents that with respect to the production of the articles and/or the performance of the services stated herein, it has fully complied with all of the applicable provisions of the Fair Labor Standards Act of 1938, as amended, including sections 6, 7 and 12, regulations under section 14, and all other applicable Administrative Regulations.

13. In connection with performance of work hereunder, the Company agrees to comply with all provisions, including specifically paragraphs (1) through (7), of Sec. 2020, of Executive Order No. 11246 of September 24, 1964, as amended, and rules, regulations and orders pertaining thereto.

14. In addition to the rights and remedies reserved herein, the Company shall have all rights and remedies conferred by law and shall not be required to proceed with performance of the contract arising herefrom if customer is in default to the Company under this or any other contract. Any agreement entered into shall be construed and interpreted in accordance with the Uniform Commercial Code and the laws of the Commonwealth of Pennsylvania, U.S.A.

15. Orders accepted by the Company cannot be countermanded or shipment's deferred or goods returned except with consent of the Company and upon terms that will indemnify it against all loss, including the profit on any part of the order that is cancelled. When return of material is authorized by the Company, shipping charges on said returned material are to be prepaid unless otherwise noted by the Company in its authorization to return.

16. The Company disclaims any liability for damages for delays in delivery or non-delivery of goods ordered caused in whole or in part by shortages or unavailability of energy and/or materials or supplies unless other arrangements in writing have been made with the Company covering the goods ordered.

17. Unless specifically noted herein, qualification tests and any test data (other than A.T.P. data) are not included in the selling price. Qualification tests may be performed by the Company and test data supplied at the specific request and expense of the customer.

18. Unless otherwise qualified, "life expectancy" as noted on attached performance specification or quotation, if any, IS NOT A STATEMENT OF GUARANTEED LIFE, but is, rather, a best estimate of the anticipated performance of this unit under normal operating conditions. Claims for defective workmanship or material must be made within one year from the date of shipment of the goods or 2,000 hours of operation, whichever first occurs. In case of any justifiable claim, the Company will either repair or replace the defective goods (when returned) or adjust the price of the goods; no goods are to be returned without the consent of the Company. No claim shall be made at any time for labor or damages, direct or indirect, asserted to result from defects in goods. The remedies stated herein are exclusive and customer waives all other remedies it may have in law or equity.

19. This contract shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.