

JD NEUHAUS, LP STANDARD TERMS AND CONDITIONS OF CREDIT ACCOUNTS & SALES TRANSACTIONS

1. **Payment Terms:** If J.D. Neuhaus L.P. (hereafter, "JDN") extends credit to Buyer payment terms shall be net thirty (days) after date of JDN invoice, unless otherwise agreed in writing, in US Dollars. No offsets or deductions for any claims in dispute between Buyer and JDN shall be made. JDN may change or withdraw credit amounts or payment terms at any time for any reason. If the products are delivered in installments, Buyer shall pay for each installment in accordance with the above payment terms, unless otherwise approved by a JDN authorized representative. If Buyer fails to make any payment when due, JDN may suspend or cancel performance under any agreements in which JDN has extended credit to Buyer. JDN's suspension of performance may result in rescheduling delays. If, in JDN's judgment, Buyer's financial condition does not justify the payment terms specified herein, then JDN may terminate this contract unless Buyer immediately pays for all products that have been delivered and pays in advance for all products to be delivered. Termination in accordance with this clause shall not affect JDN's right to pursue any other available remedies. A service charge per month of 1-1/2% per month (18% annual percentage rate) may be applied to all past due balances. In the event any third parties are employed to collect any outstanding monies owed by said business the undersigned agrees to pay reasonable collection costs, including attorney fees, whether or not litigation has commenced, and all costs of litigation incurred.
2. **Place of Payment:** All obligations of Buyer to JDN are payable at JDN's principal place of business: J.D. Neuhaus L.P., 9 Loveton Circle, Sparks, Maryland 21152.
3. **Offer and Acceptance:** Buyer's purchase order constitutes Buyer's offer to JDN and becomes a binding contract on the terms set forth therein when accepted by JDN either by acknowledgment or the commencement of performance thereof. The acceptance of the terms of Buyer's purchase order by JDN is limited to the term stated therein. Any additions or different terms proposed by the Buyer are objected to unless otherwise agreed to in writing by an authorized representative of JDN. Cancellations require JDN's written consent. All plans, drawings, designs and specifications prepared by Buyer and/or JDN in connection with the purchase order are approximations and not binding, unless expressly agreed between Buyer and JDN in writing as binding. JDN shall remain the owner of all plans, drawings, designs and specifications. These plans and any information derived therefrom or otherwise communicated to the Buyer shall be regarded by him as strictly confidential and shall not without the written consent of JDN be disclosed to any third party or made use of by Buyer. JDN shall treat as strictly confidential all of Buyer's plans, drawings, designs and specifications and any information derived therefrom.
4. **Prices and Releases:** Unless otherwise agreed to in writing, JDN's price in effect at the time JDN receives Buyer's purchase order shall continue to apply if the quantity ordered is released by JDN within twelve (12) months and shipments are arranged within 18 months. Otherwise, JDN's price in effect on the actual release date for the quantity actually shipped shall apply. If the price of fuels, metals, raw materials, equipment or other production costs increases significantly, JDN shall have the right and Buyer shall have the obligation to renegotiate the price of all products not yet shipped, and if an agreement is not reached, JDN shall have the right to terminate the contract without liability. All prices are FOB JDN warehouse Sparks Maryland, unless stated otherwise, including the cost of packaging.
5. **Delivery:** (a) All deliveries are made FOB JDN warehouse in Sparks, Maryland, unless the order is shipped to the buyer from our factory in Germany, in which case delivery is FOB Witten Germany. At the discretion of JDN, Buyer may be responsible for insurance against normal risk. The delivery schedule will start on the date of transmission of JDN's acceptance of the purchase order via an order confirmation; however under no circumstance until Buyer has provided JDN with all materials or documents, licenses or approvals and any down payment which may be required from Buyer. (b) JDN shall have complied with the delivery schedule upon delivery of the equipment to the shipper or upon advising Buyer that order is ready for shipping. (c) In the event of an extension of the delivery schedule at the request of Buyer, Buyer agrees to pay to JDN the cost of storage of the equipment, at least however, an amount equal to 1/2% of the purchase price for each month of storage, beginning with the month of the sending of the notice of readiness for delivery. (d) Delivery dates are estimates. JDN shall

not be liable for any damage, losses or expenses incurred by Buyer if JDN fails to meet the estimated delivery dates. (e) Buyer agrees to accept the equipment even if defects which are immaterial to the operation of the equipment exist. (f) Partial deliveries are permitted.

6. **Risk of Loss:** The risk of loss for the equipment shall pass from JDN to Buyer upon delivery of the equipment, or parts thereof, to the shipper, regardless of whether Buyer or JDN have borne the cost of shipping. In the event of a delay in delivery solely caused by Buyer, the risk of loss shall pass on the date of the sending of the notice of readiness. JDN, at the request and at the expense of the Buyer, shall have the duty of insuring the equipment.
7. **Reservation of Title:** It is understood and agreed that JDN retains title to the equipment until payment of the purchase price in full. Buyer agrees to perfect a purchase money security interest in the equipment and the proceeds thereof. This Section 7 shall be deemed to be the security agreement required by statute. JDN may file a UCC-1 financing statement at any time as long as the purchase price or any part thereof shall remain unpaid. In the event Buyer its successors or assigns shall become insolvent or shall make a general assignment for the benefit of creditors, or shall file a voluntary petition in bankruptcy, or if a petition in bankruptcy or for any relief under any bankruptcy or insolvency laws shall be filed against Buyer or a receiver shall be appointed for its property and assets, or if any governmental authority shall take possession of any substantial part of its properties, or if the transaction of its usual business shall be suspended, Buyer its successors or assigns agrees to return the unpaid equipment to JDN immediately upon JDN's request.
8. **Warranty:** In lieu of any warranties implied by fact or law, JDN expressly warrants all equipment in whole or in part to be free from defects in design (except Buyer's design), material and workmanship under normal use and to be fit for the purpose intended and to be merchantable. Buyer acknowledges his duty to inspect the equipment immediately upon receipt and prior to use and to promptly notify JDN in writing of any defects. JDN guarantees the performance, design (except Buyer's design), workmanship and material entering into the equipment and agrees, at JDN's option, to repair or replace any parts of the equipment, without cost to Buyer, on which defective performance, design (except Buyer's design), workmanship or materials is found, provided the claim is made in writing within twelve (12) months from the date of acceptance. Any parts replaced by JDN shall become the property of JDN. For any parts not manufactured by JDN, JDN's warranty is expressly limited to an assignment to Buyer of warranty claims JDN may have against the third party manufacturer. The warranty period for replacement parts is six (6) months, however not less than the original warranty period for the equipment, extended by the time of replacement and repair.
9. **Returns:** Returns for credit require JDN's prior approval in writing which is available only within sixty (60) days from delivery. Restocking charges are payable to JDN by Buyer in an amount depending on the value of the order. JDN will reject unauthorized returns and send them to Buyer at Buyer's expense.
10. **Remedies:** No waiver by either party or any breach of any of the terms and conditions contained herein to be performed by the other party shall be construed as a waiver of any subsequent breach, whether of the same or of any other term or condition hereof. The rights and remedies set forth herein are not exclusive and are in addition to all other rights and remedies available to the parties.
11. **Governing Law:** All matters relating to this contract shall be governed by and construed in accordance with the laws of the State of Maryland, excluding its conflict of laws rules. The courts of the State of Maryland shall have exclusive jurisdiction for all disputes arising hereunder.
12. **Force Majeure:** Neither party hereto shall be liable to the other for default or delay in performing its obligations hereunder if caused by fire, strike, riot, war, Act of God, delay of carriers, governmental order or regulation, priorities or allotments or any other similar or dissimilar occurrence beyond the reasonable control of the party so delaying or defaulting.