

## STANDARD TERMS AND CONDITIONS OF SALE

**1. Terms:** All purchases of Buyer from JSP Technology, Inc. (Seller) whether on credit or otherwise shall be subject to and governed by this agreement, Sellers purchase order form ("Purchase Order") and any other written agreement executed by Buyer and Seller ("Sales Document"). No term of any purchase order or any other document issued by Buyer and not executed by an authorized representative of Seller ("Buyer's Document") shall be effective or bind Seller, and Seller objects to all different or additional terms of Buyer's documents and expressly conditions it's offer to sell to Buyer and it's acceptance of Buyer's offer to purchase on Buyer's acceptance of the terms of the sales documents.

**2. Order Procedure:** All of Buyer's orders shall be placed on a Purchase Order which the Buyer shall execute. If Buyer places an order by telephone or is otherwise unable or omits to execute a Purchase Order, Buyer hereby authorizes Seller to execute the Purchase Order on behalf of Buyer. Seller may execute such Purchase Order by writing in the Purchase Order "telephone order" or some similar appropriate phrase. No Purchase Orders shall become binding on Seller until it is approved by an authorized representative of Seller at Seller's Charlotte, North Carolina office. Seller's salesman may only place Buyer's order on a Purchase Order and submit it for approval. Seller's salesman may not approve a Purchase Order.

**3. Prices:** The amount of any present and future sales revenue, excise and taxes and other governmental charges shall be added to the purchase price of the item that Buyer purchases from Seller ("Goods") and shall be paid by Buyer. Prices quoted in any particular Purchase Order are valid for that order only. Unless otherwise specified, prices do not include installation, training, setup or other similar services.

**4. Payment:** Unless otherwise specified in the Sales Document, payment shall be thirty percent (30%) upon receipt of order confirmation and seventy percent (70%) against an irrevocable and confirmed letter of credit to be opened in favor of the Seller payable upon receipt of Goods by Buyer. Any amounts not paid in accordance with the terms shall bear interest at a rate of one and one half percent (1-1/2%) per month or such lesser as permissible by applicable law and Buyer shall pay Seller all costs incurred by Seller in collecting any past due account from Buyer.

**5. Delivery:** All prices are null of any delivery prices. Unless Buyer and Seller agree otherwise, Buyer shall arrange and pay for the deliveries of the Goods from Seller's place of business in Charlotte, North Carolina or other loading point to Buyer. If Seller agrees to arrange for delivery of the Goods, Buyer shall pay for all costs associated therewith. Delivery of Goods to a carrier at Seller's Charlotte, North Carolina office or other loading point shall constitute delivery of Goods to Buyer and any further cost and responsibility thereafter, for claims, delivery, loss or damage, including placement and storage at installation site, shall be bond by the Buyer unless otherwise stipulated. Seller may deliver the Goods sold in one or more installments. No delivery of Goods shall waive any rights or remedies that Seller may have with respect to any prior deliveries. All delivery schedules and dates given by seller are estimates only. Seller shall not be liable for any delay in performance of any order or contract or in the delivery or shipment of any Goods, or for any damages suffered by any reason of such delay.

**6. Insurance:** Prior to the full payment of the purchase price at the Seller's request, Buyer shall keep insured all Goods shipped to Buyer by Seller under policies with such provisions, for such amounts and with such insurers as shall be satisfactory to Seller and shall furnish evidence of such insurance to Seller.

**7. Notice of Nonconformity:** Buyer must give Seller written notice of any claim that it has regarding the condition, quantity or quality of the Goods or the nonconformity of the Goods with the Sale Documents within ten (10) days after delivery of the Goods occurs as specified in paragraph 5. The notice must specify the basis of Buyer's claim in detail. Buyer's failure to comply with this paragraph 7 shall constitute Buyer's irrevocable acceptance of the Goods and shall bind it to pay Seller the full price of the Goods.

**8. Security Agreement:** Buyer hereby grants to Seller a purchase money security interest in all of the Goods. This security interest shall terminate with respect to particular Goods when the full amount of the invoice reflecting those Goods, including any delinquency charges, attorneys fees and other costs imposed by the Sales Document, is paid.

**9. Warranties:** Seller warrants Goods manufactured by it and supplied hereunder to be free from defects in materials and workmanship for a period of ninety (90) days or two thousand and one hundred (2100) hours of equipment operating time after receipt of Goods by Buyer or installation by an authorized representative of Seller. Seller's sole obligation regarding warranty shall be, at its option, to repair or replace such Goods. All costs associated with installation for repair or replacement of Goods shall be the obligation of the Buyer unless otherwise agreed in writing between Seller and Buyer. Buyer shall provide to Seller written notice, in detail, of alleged defect within ten (10) days after discovery and at Seller's option, return such Goods prepaid to Seller. This warranty shall not apply to Goods that have been repaired or altered by other than Seller or that are defect due to adverse operation, maintenance or storage.

**10. Limitation of Liability:** Sellers sole obligation to Buyer for any nonconforming Goods shall be, at Sellers option, to repair or replace such Goods. Seller shall not be liable to Buyer for and Buyer will hereby indemnify and waives any special, indirect, incidental or consequential damages and any claims, demands, costs, attorneys fees, penalties or liabilities for property damage or personnel injury including without limitation claims, damages or liabilities arising out of or resulting to Seller negligence. Any action by Buyer arising out of or resulting to the Sale Document or any Goods must be commenced within one (1) year after the claim or cause of action has occurred.

**11. Default by Buyer:** The occurrence of any of the following shall constitute an event of default by Buyer under this Agreement and all other agreement between Buyer and Seller. (a) Buyer's failure to pay any sum of money as and when due under this Agreement or any other agreement with Seller which is not occurred within five (5) days after it is due; (b) Buyer's default under any other terms of this Agreement or any other agreement with Seller which is not occurred within ten (10) days after Seller gives Buyer written notice of this default. Upon the occurrence of an event of default by Buyer under this Agreement or any other agreement between Buyer and Seller, and in addition to any other rights and remedies that Seller may have, Seller shall have the right, at its option, to take one or more of the following actions: (a) declare all or part of Buyer's obligations under this Agreement or any other agreement immediately due and payable; (b) require the Buyer to assemble the Goods subject to security interest in honor of Seller and deliver them to Seller's premises at Buyer's sole expense; (c) make possession of any Goods subject to any unpaid invoice without notice to or demand on Buyer wherever the Goods shall be located without any court order or other process of law (Buyer hereby waives all claims, demands and liabilities that may arise from any such repercussion); and (d) pursue any other right or remedy at law or in equity.

**12. Applicable Law:** This Agreement and any controversy relating hereto shall be governed and construed in accordance with the laws of the State of North Carolina. At Seller's sole option, any section or proceeding relating to this Agreement or its enforcement shall be commenced and hereof in (or assigned to if necessary) the appropriate state and federal courts for Mecklenburg County, North Carolina. Buyer hereby consents and submits to the jurisdiction and venue of those courts.