

JBC TERMS AND CONDITIONS OF SALE

SALE OF GOODS: These terms and conditions represent the basis for all sales agreements of JBC Technologies, Inc ("JBC"), whose headquarters is located at 7887 Bliss Parkway, North Ridgeville, Ohio 44039, with purchasers of goods from JBC ("Buyer"). JBC'S AGREEMENT TO SELL GOODS TO BUYER IS EXPRESSLY CONDITIONED ON BUYER'S ASSENT TO THE TERMS AND CONDITIONS CONTAINED IN THIS DOCUMENT. THIS AGREEMENT MAY NOT BE SUPERSEDED BY A BUYER'S REQUEST FOR QUOTATION OR PURCHASE ORDER CONTAINING TERMS AND CONDITIONS DIFFERENT FROM OR ADDITIONAL TO THOSE SET FORTH HEREIN. JBC EXPRESSLY REJECTS ANY ADDITIONAL TERMS OR CONDITIONS PROVIDE IN THESE OR ANY OTHER SUCH DOCUMENTS PROVIDED BY THE BUYER.

PRICES: Prices quoted are FOB JBC's plant, unless otherwise stated. Prices do not include any federal, state or local taxes. Wherever applicable, such taxes will be added to the invoice to be paid by the Buyer. Where packaging other than standard packaging is necessary, the expense will be charged to the Buyer. JBC reserves a security interest in any goods to the extent of the invoiced amount to secure payment of the Buyer's obligation. If the Buyer defaults, it agrees to make the goods available so that JBC may peaceably repossess. A copy of the invoice may be filed with the appropriate office at any time as a financing statement. At JBC request, Buyer will execute any instrument JBC requires to perfect its security interest. Prices on any undelivered goods covered by this contract are subject to further increase (a) due to increase in cost to JBC of materials used in the manufacture, (b) as a result of restrictions or regulations imposed under any agreements, codes, or licenses made or issued pursuant to federal or state law, decrees or orders, or (c) as a result of increase in labor costs, providing that this clause shall not be operated to fix a price in violation of any price regulations of the United States Government. JBC shall notify Buyer of any price increase arising for any of the above reasons. Prices quoted for goods to be shipped outside the continental United States are based on international currency exchange rates in effect at the time of quotation. JBC reserves the right to change its prices at any time prior to shipment if exchange rates vary. Any quantity discount applicable to the sale covered by this Quote shall apply only to sales of goods made by JBC, and such discount shall be computed solely on the basis of goods sold to Buyer by JBC. Any early payment discount on the face of this document shall be on the purchase price only.

TERMS OF PAYMENT: Unless otherwise provided, payment shall be net thirty (30) days from the date of invoice. Goods exported from the USA may be subject to a down payment, with the balance payable through an Irrevocable Letter of Credit established through and confirmed by a bank acceptable to JBC. The obligation to make payment shall continue without regard to any warranty obligation, made hereunder by JBC and without regard to whether Buyer has made any inspection of the goods. JBC shall have the right, in its sole discretion, to require payment before shipment or payment via letter of credit in the event that it determines that Buyer is delinquent in payment or will exceed credit limit. The Buyer's credit limit is set at the sole discretion of JBC. A finance charge of one and one half percent (1-1/2 %) per month (or the highest rate allowed by law) will be applied to any outstanding balance. Buyer shall pay to JBC any reasonable expenses incurred by JBC for collection from Buyer of money due and unpaid, including reasonable attorney's fees and related costs. Buyer agrees to authorize its creditors to disclose to JBC information concerning Buyer's credit worthiness, upon JBC's request. JBC shall retain title to goods sold until Buyer has paid for the goods in full. By submitting any purchase order or other document, either prior to or subsequent to the date of JBC's Quote, Buyer represents that it is solvent for the purposes of U.C.C. Section 2-702 and that it is not insolvent as defined by U.C.C. Section 1-201. In the absence of written notification of insolvency, the transmission of any writing by Buyer to JBC during the course of performance of the contract will be understood to constitute a written representation of continued solvency for the purposes of U.C.C. Section 2-702.

DELIVERY: Shipping dates are approximate, and time shall not be of the essence in this contract, provided, that JBC accepts no liability for any losses or for general, special or consequential damages arising out of delays in delivery. If shipment is delayed for over one hundred and twenty (120) days, Buyer may reject the goods only if the Buyer will sustain substantial damage as a result of such delay. Unless otherwise provided, JBC shall have the right to make shipment in installments, and delay in shipment of any installment or failure to ship any installment shall not relieve Buyer of its obligation to accept remaining installments. Where special delivery is required, the expense involved will be charged to Buyer. Orders are subject to a ten percent (10%) over-run or under-run. Risk of loss of products transfers to Buyer when goods are loaded for shipment.

FORCE MAJEURE: JBC shall not be held responsible for any delay or failure to perform its obligations hereunder in whole or in part due, directly or indirectly, to matters outside of JBC's control, including without limitation, war, epidemics, flood, acts of God, accidents, shortage of transportation, terrorism, blockades, embargoes, federal, state, municipal, or any other governmental action or regulation, strikes or other labor troubles, fire, damage to, or destruction in whole or in part of merchandise or manufacturing plant, lack of, or inability to obtain, materials, labor, fuel or supplies, restraining orders or injunctions of any court or judge, or any other causes, contingencies or circumstances within or without the United States. Occurrence of any of the above shall, without liability to JBC, excuse JBC from further performance of this Agreement or, at its election, extend the time of performance. If any shipment is delayed six (6) or more months, either party shall have the right by written notice to the other to cancel that shipment and the balance of this contract and, in such event, neither party shall be liable to the other for any losses or damages arising out of such cancellation.

BUYER DELAY: If Buyer is unable or unwilling to accept delivery of goods at time of completion, JBC shall invoice Buyer for the full purchase price. If JBC is able to store the goods in its facilities, JBC shall have the right to impose on Buyer a reasonable charge for handling and storage. Goods held for Buyer under this provision shall be held at Buyer's sole risk. JBC shall not be responsible for any loss or damage to the goods during such storage or for any indirect, incidental, or consequential damages resulting from any damage or loss to the goods while stored on Buyer's behalf.

TOOLS: Unless otherwise expressly provided, JBC shall retain title to, and possession of, any models, drawings, patterns, dies, molds, jigs, fixtures and tools relating to this contract

INTELLECTUAL PROPERTY AND TECHNOLOGY: Any intellectual property, technology, technical information, know how, patents, etc developed by JBC while producing goods for the Buyer remain the sole property of JBC. Any existing intellectual property, technology, technical information, know how, patents, etc owned or controlled by JBC used in producing goods for the Buyer remains the sole property of JBC. Nothing in this agreement shall be construed as giving or granting the Buyer any rights to any intellectual property, technology, technical information, know how, patents, etc. now owned or developed in the future by JBC. Should JBC have any reasonable suspicion that the Buyer has violated any part of this paragraph, JBC, at its sole discretion, and in addition to any other remedies afforded under the law, has the right to stop shipping goods to Buyer and demand immediate payment for all outstanding amounts due from the Buyer.

WARRANTY: JBC warrants that at the time of shipment its goods shall be substantially free of material defects in workmanship and material under normal use and service and shall substantially conform to contract specifications and be within the limits and sizes published by JBC, subject to JBC's standard tolerances for variations. This warranty is inapplicable to the extent Seller has selected materials or designed the product. If JBC has provided a sample to Buyer that differs from contract specifications and Buyer has approved such sample, JBC's warranty will be satisfied if the goods either substantially (i) conform to the sample or (ii) conform to the contract specifications and fall within the limits and sizes published by JBC, subject to standard tolerances for variations. JBC shall have no liability to Buyer if Buyer's purchase order omits a specification and JBC fills the order using goods or a design that materially conforms to a standard or customary specification. In no event shall JBC be liable for any defective good if examination discloses that the good has been taxed beyond its normal capacity or the defective condition of such good was caused by misuse, abuse, improper installation or application, improper maintenance or repair, alteration, accident or negligence in use, storage, transportation or handling. ALL OTHER WARRANTIES, DIRECT OR IMPLIED, INCLUDING THE IMPLIED WARRANTY OF MERCHANTABILITY, WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY, AND FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY EXCLUDED.

SAFETY & HEALTH INFORMATION: Upon request by Buyer, JBC will provide applicable information (including but not limited to Material Safety Data Sheets) and warnings concerning the safety and health aspects of its goods. Buyer agrees to communicate such information and warning to Buyer's employees, agents, contractors and customers, and to require such persons to further communicate such information and warnings to all persons that they may reasonably foresee will be exposed to or handle such goods.

BUYER'S REMEDIES: Buyer agrees to inspect the goods prior to acceptance and to give written notice within 15 days to JBC of the precise nature of any claim that the goods breach a warranty provided herein. JBC will be afforded a prompt opportunity to inspect the goods. If Buyer shall fail to give such notice or provide such opportunity to inspect, the goods shall be deemed accepted and to conform with the terms of the contract and Buyer shall be bound to accept and pay for the goods in accordance with the terms of the contract. Buyer expressly waives any rights Buyer may have to revoke or refuse acceptance after such 15 day period. If Buyer provides JBC with notice of a possible warranty breach and reasonable opportunity to inspect: (a) if the claim is for a shortage in excess of ten percent (10%) of the entire order, Buyer may require JBC to make up the shortage within a reasonable time of JBC's receipt of the notice; and (b) if the claim is for a breach of warranty, JBC may, at its option, either repair or replace said nonconforming goods or repay the price thereof. If JBC requests the return of the nonconforming goods, no obligation for breach of warranty shall arise unless the goods have been returned to JBC within thirty (30) days after such request is made. Buyer's failure to provide timely notice shall constitute a waiver of its claims. The aforesaid obligations of JBC to correct deficiencies in quantities in excess of ten percent (10%) and to repair or replace defective or nonconforming goods or repay the purchase price thereof is expressly agreed by the parties to be the limit of JBC's liability and Buyer's sole and exclusive remedy. IN NO EVENT SHALL JBC BE LIABLE FOR LOSS OF USE OR FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO CONSEQUENTIAL DAMAGES FOR PERSONAL INJURIES.

INDEMNIFICATION: Buyer, if a reseller, shall include in its terms and conditions of sale an effective disclaimer of warranties and limitations of liability at least as restrictive as those contained herein. In any event, BUYER ASSUMES ALL RISKS AND AGREES TO INDEMNIFY AND HOLD JBC HARMLESS AGAINST ALL CLAIMS AND LIABILITY (INCLUDING LIABILITY BASED ON A CLAIM THAT JBC IS NEGLIGENT OR STRICTLY LIABLE) ARISING: (1) OUT OF ANY PROPERTY MADE IN WHOLE OR IN PART FROM THE GOODS SUPPLIED UNDER THE TERMS OF THIS CONTRACT AND (2) AS A RESULT OF USE OR POSSESSION OF THE GOODS SUPPLIED UNDER THE TERMS OF THIS CONTRACT. Any advice furnished by JBC, as to any use of the goods by Buyer, is offered "as is" without warranty of any kind, is gratuitous and shall not affect the limitations on JBC's warranties or Buyer's agreement to indemnify. Buyer acknowledges that this Agreement is for the purchase of goods, not services, and that JBC shall therefore have no liability to Buyer for any harm or loss caused by advice received by Buyer from any of JBC's agents or employees. With respect to goods manufactured solely to JBC's designs or specifications, JBC shall defend any action brought against Buyer claiming that such goods are an infringement of any patent, trademark or copyright and JBC will pay any costs and damages finally awarded against Buyer in any such action, under the following conditions: (a) JBC is notified promptly in writing by Buyer of any notice of such claim, (b) JBC has sole control of the defense in any action on such claim and all negotiations for its settlement and compromise, and (c) should JBC's products become, or in JBC's opinion are likely to become, the subject of a claim of infringement of a patent, trademark or copyright, JBC will have the option of replacing or modifying the same so that it does not infringe or to accept its return and grant to Buyer a credit for such products. This states the entire liability of JBC with respect to infringement of patents by JBC's goods or any parts thereof. Buyer shall indemnify, defend and hold JBC harmless against any damages, costs or losses resulting from any suit or proceeding brought for infringement of patents, copyrights or trademarks or for unfair competition (1) relating to the use or sale of any of JBC's goods in any combination, method, or process and/or (2) arising out of compliance by JBC with Buyer's designs, specifications or instructions, including claims for patent or copyright infringement. If a claim is brought against JBC by an agent or employee of Buyer, Buyer agrees to defend, indemnify and hold JBC harmless from and against any and all liability, loss, damages, and expense relating to the claim.

SETOFF: JBC shall have the right to setoff all amounts due to JBC against payments owed by JBC to Buyer required vendors, whether arising out of this or any other contract between such vendors and JBC or its affiliates.

ASSIGNMENT AND DELEGATIONS: Buyer will not assign any rights or delegate any duties under the Agreement without the written consent of JBC.

CRITICAL VENDOR: When JBC provides parts/goods that are unique to the Buyer and the Buyer buys these unique parts/goods solely from JBC, the Buyer will consider JBC a critical vendor and give JBC preferential payment treatment in any bankruptcy and/or liquidation process.

STATUTE OF LIMITATIONS: Buyer agrees that any action of any kind by the Buyer against JBC must be brought within one (1) year of the date of delivery.

ARBITRATION: All controversies and claims arising out of or relating to this contract may, at JBC's sole option, be settled by arbitration in the State of Ohio in accordance with the then applicable Commercial Rules of the American Arbitration Association, and judgment upon any award thereon may be entered in any court having jurisdiction.

MODIFICATION AND TERMINATION: This contract shall not be modified or terminated unless expressly agreed to by both parties in writing. No waiver or any default hereunder shall be deemed a waiver of the obligation of future compliance and any provision waived shall remain in full force and effect. In addition to its other remedies, JBC may cancel any unfulfilled part of the contract without any liability and without notice if Buyer fails to pay amounts due or Buyer shall become bankrupt, insolvent, makes an assignment for the benefit of creditors or a receiver is appointed for Buyer, or Buyer is acquired or sold in whole or in part.

SOLE AGREEMENT: Unless otherwise agreed to in writing, these Terms and Conditions constitutes the entire agreement between JBC and Buyer, and supersedes any previous agreement, representation or warranty, whether express or implied, regarding the goods. Buyer acknowledges that no representations, understandings, conditions, or agreements have been made or relied upon other than those specifically stated in this Agreement.

VENUE: The contract shall be governed by and interpreted under the laws of the State of Ohio, U.S.A., excluding from such law the rules regarding choice of law.

SEVERABILITY: These terms and conditions of sale shall not be construed against the party preparing them, but shall be construed as if all parties jointly prepared these terms and conditions of sale and any uncertainty or ambiguity shall not be interpreted against any one party. If any provision hereof is held to be illegal, invalid or unenforceable under any present or future laws, such provision shall be fully severable and the terms and conditions herein shall be construed and enforced as if such illegal, invalid or unenforceable provision had never been made a part hereof. The remaining provisions herein shall remain in full force and effect and shall not be affected by such illegal, invalid or unenforceable provisions or by their severance herefrom.