

GENERAL TERMS AND CONDITIONS FOR DELIVERIES, WORK AND SERVICE

I. General.

These General Terms and Conditions for Deliveries, Work and Service (the "Terms and Conditions") govern any sale of equipment and/or parts (the "Goods") and/or services (the "Services") by Muehlbauer, Inc. and its affiliates ("Muehlbauer") and Muehlbauer's Customer. Unless Muehlbauer has expressly accepted additional or different terms in writing, Muehlbauer rejects any terms or conditions of Customer that are in addition to or in conflict with these Terms and Conditions and any such additional or conflicting terms shall be of no force or effect with regard to any sale by Muehlbauer (regardless of whether any Goods are sent or Services are performed in connection therewith). These Terms and Conditions apply to all future business relations between Muehlbauer and Customer, even if they are not explicitly referenced.

II. Quotation and Conclusion of the Contract.

Muehlbauer's quotations, advertising documents and brochures are non-binding invitations to Customer to make an offer. Any purchase order issued by Customer constitutes an offer, which must be accepted by Muehlbauer in writing in order to form a binding contract.

III. Terms of Delivery.

1. The date of delivery of the Goods shall be agreed on by the parties and set forth on the applicable order confirmation. Muehlbauer undertakes to exert its best efforts to meet the anticipated date of delivery; however, such delivery date is an estimate only and Muehlbauer shall not be liable for any delay. Partial shipments are permissible.
2. If, after Muehlbauer has accepted Customer's purchase order, Muehlbauer reasonably believes that Customer may not pay its obligations to Muehlbauer when due, Muehlbauer may request assurances from Customer, including but not limited to a bank guarantee or advance payment. If Customer is unable to provide such assurances, Muehlbauer may, at its option, cancel the contract and recover any damages from Customer.
3. Muehlbauer shall not be liable for any delay in or impairment of performance resulting in whole or in part from fires, floods, earthquakes, or other catastrophes; strikes, lockouts or labor disruptions; wars, riots, civil commotion, vandalism, terrorist acts, or embargo delays; government allocations or priorities; shortages, delays or failures of transportation equipment; shortages of fuel, labor or materials; severe weather conditions; any applicable governmental or judicial law, regulation, order or decree, or any other circumstance or cause beyond the control of Muehlbauer in the reasonable conduct of its business.
4. Should Customer need to request a delay in delivery, it must notify Muehlbauer as soon as possible after it discovers the need for the delay and in no event less than one (1) week before the agreed date of delivery.

IV. Prices and Payment Terms.

1. Muehlbauer's prices for delivery are "ex works" EXW (INCOTERMS 2010) at Muehlbauer's facility designated in the order confirmation, exclusive of sales, use, excise, or other taxes payable to any governmental authority with respect to the sale of the Goods and/or Services. Muehlbauer may charge any of these taxes in addition to the purchase price.
2. If, after Muehlbauer has accepted Customer's purchase order, the calculation base changes due to increased labor and material costs or other circumstances beyond Muehlbauer's reasonable control, Muehlbauer may make the corresponding increase in the contract price. Muehlbauer will provide written notice of such price increase to Customer and Customer shall be obligated to pay the increased price unless it provides notice of its objection and cancellation of its purchase order to Muehlbauer within five (5) days from its receipt of Muehlbauer's notice.
3. Customer shall pay invoices due net in the agreed currency within fourteen (14) days from the date of invoice. Any amounts not paid within fourteen (14) days will accrue interest at a rate of 1.5% per month or the maximum permitted by applicable law, whichever is less. Customer agrees to pay all expenses of collection, including reasonable attorneys' fees, in the event that amounts owed by Customer are not paid when due.
4. Partial deliveries may be invoiced by Muehlbauer separately.
5. A claim that Goods are nonconforming shall not entitle Customer to deduct any sum from any invoice unless permitted in writing by Muehlbauer. Customer shall not be entitled to withhold or offset payments because of or against claims by Muehlbauer.

V. Security Interest.

1. As security for the full payment of the purchase price, Customer hereby grants to Muehlbauer a security interest in the Goods and all Proceeds thereof. For purposes hereof, "Proceeds" shall have the meaning given in Section 8.9A-102(a)(64) of the Code of Virginia (as amended). Customer authorizes Muehlbauer to execute financing statements with a reasonable description of the Goods. Customer agrees to cooperate and take such action as Muehlbauer deems reasonably necessary to protect its security interest in the Goods. Customer shall notify Muehlbauer in writing within thirty (30) days of any change of Customer's name or state of organization. The security interest granted hereunder, and any security agreement or other security interest between the parties, whether granted directly or assigned, shall survive any termination of any agreement between the parties and remain in full force and effect until payment in full of the purchase price for the Goods and/or Services. Until Customer has paid in full the purchase price and other charges due to Muehlbauer hereunder, Customer shall have the right to resell the Goods in the ordinary course of business only with Muehlbauer's prior written consent to such resale. Resale with Muehlbauer's consent shall be on a cash basis and, if not on a cash basis, shall be only on such terms and conditions as have been approved in advance by Muehlbauer in writing. Any and all cash proceeds of resale shall be fully accounted for by Customer and promptly paid to Muehlbauer to be applied to the payment of Customer's indebtedness hereby secured. Customer shall deliver to Muehlbauer all non-cash proceeds of resale including the original executed copies of any sales contract between Customer and its customer covering the Goods, any chattel paper arising therefrom, any notes from Customer's customer, and any and all other documents involved in the resale. Customer shall execute and deliver to Muehlbauer such additional documentation regarding such non-cash proceeds as Muehlbauer, in its sole discretion, deems appropriate, including without limitation assignments of such sales contracts, other chattel paper, notes, and security documents.
2. Customer shall insure the Goods in amounts equal to at least the value of the Goods until the purchase price of the Goods is paid in full. If maintenance and inspection are reasonably necessary, Customer must perform such maintenance and inspection in a timely manner and at its own expense.
3. Customer assigns to Muehlbauer any and all claims that it has against a third party for ensuring Muehlbauer's claims against Customer, which arise out of the co-mingling of the Goods with other items.

VI. Passing of the Risk.

1. The delivery of Goods is "ex works" EXW (INCOTERMS 2010) at Muehlbauer's factory designated in the order confirmation. The parties may agree in advance in writing for Muehlbauer to arrange for freight and/or insurance and advance such costs for Customer, in which case Customer will reimburse Muehlbauer upon receipt of Muehlbauer's invoices therefor.
2. If Customer is responsible for picking up the Goods at Muehlbauer's facility or another location and fails to do so within eight (8) days after the agreed date of pickup, Muehlbauer may, at its option, ship the Goods to Customer's facility at Customer's expense.
3. Risk of loss will pass in accordance with INCOTERMS 2010 as specified in Section 1 above. If delivery is delayed at the request of Customer or in case of default of acceptance, the risk of loss will pass when Muehlbauer provides Customer with written notice that the Goods are ready for shipment. In this case, Customer will bear the expense of storage of the Goods until they are delivered.
4. Customer is responsible for the disposal of packaging of the Goods (except for pallets) at its expense.

VII. Warranty.

1. Muehlbauer warrants the Goods, other than spare and replacement parts, to be free from defects in material and workmanship under normal use and service (including required maintenance) for a period of twelve (12) months from the date of shipment. Muehlbauer warrants spare and replacement parts to be free from defects in material workmanship under normal use and service (including required maintenance) for a period of six (6) months from the date of shipment. Notwithstanding the preceding sentences, the warranty period for any spare or replacement Goods furnished under this warranty shall not extend beyond the warranty period of the original Goods that they replace. Customer's sole remedy in the event of a breach of this warranty shall be, at Muehlbauer's option, the repair or replacement of the defective Goods or the refund of the portion of the purchase price already paid to Muehlbauer for the particular defective Goods. This warranty shall not apply to normal maintenance service nor to any product which has been damaged in any accident by fire, flood, or any act of God or abused or misused or neglected or which has been repaired or altered by anyone other than Muehlbauer or due to defects caused by parts sold by third parties. Wear parts, such as cutting punches, stencils, milling cutters, bearings, consumables, metering devices and needles, contact equipment, etc., are excluded. If such items are covered by a third party warranty, Muehlbauer will, to the extent permitted, pass the warranty along to Customer.
2. Muehlbauer warrants that the Services will be performed in a workmanlike manner. Customer's sole remedy in the event of a breach of this warranty shall be, at Muehlbauer's option, re-performance of the Services at no additional cost or a refund of amounts paid for such Services.
3. THESE WARRANTIES ARE THE ONLY WARRANTIES APPLICABLE TO THE GOODS AND SERVICES, AND ARE EXPRESSLY IN LIEU OF ANY WARRANTIES OR CONDITIONS OTHERWISE IMPLIED BY LAW, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE REMEDIES STATED HEREIN SHALL BE THE ONLY REMEDIES AVAILABLE. MUEHLBAUER DOES NOT ASSUME ANY OTHER OBLIGATION OR RESPONSIBILITY WITH RESPECT TO THE GOODS AND SERVICES AND HAS NOT AUTHORIZED ANY PERSON TO ASSUME ANY OTHER OBLIGATION OR LIABILITY ON ITS BEHALF.

VIII. Limitation of Liability.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, IN NO EVENT SHALL MUEHLBAUER BE LIABLE FOR ANY DELAY, WORK STOPPAGE, LOSS OF USE OF EQUIPMENT, LOSS OF TIME, INCONVENIENCE, LOSS OF PROFITS, OR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES RESULTING FROM OR ATTRIBUTABLE TO, BREACH OF THIS AGREEMENT OR DEFECTS IN MUEHLBAUER GOODS OR SERVICES, WHETHER RESULTING FROM NEGLIGENCE, BREACH OF ANY PROMISE TO REPAIR OR REPLACE THAT MAY BE CONTAINED HEREIN, OR OTHERWISE. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE MAXIMUM LIABILITY, IF ANY, OF MUEHLBAUER FOR ALL DAMAGES NOT EXCLUDED UNDER THIS PARAGRAPH, WHETHER RESULTING FROM NEGLIGENCE, BREACH OF ANY PROMISE TO REPAIR OR REPLACE THAT MAY BE CONTAINED HEREIN, OR OTHERWISE WITH RESPECT TO THE GOODS OR ANY SERVICES IN CONNECTION WITH THE GOODS, IS LIMITED TO AN AMOUNT NOT TO EXCEED THE PRICE OF THE PARTICULAR DEFECTIVE GOODS OR SERVICES.

IX. Intellectual Property.

1. Muehlbauer shall continue to own all intellectual property rights in the Goods, as well as any drafts, drawings, software, products, articles and equipment (the "Property") that it has provided to Customer even if Customer has borne the expense for the development of such Property.
2. Muehlbauer shall defend, at its own expense, any claim or suit brought by a third party against Customer based upon a claim of infringement of a United States patent or copyright resulting from the sale or use of the Goods and shall pay all costs, settlements or damages finally awarded as a result of such claim or suit. Muehlbauer's indemnification obligations under this Section IX are expressly conditioned on: (1) Customer's prompt notification of Muehlbauer of any such claim or suit; (2) Customer's reasonable cooperation with Muehlbauer in the defense and/or settlement of any such claim or suit; and (3) Customer allowing Muehlbauer exclusive control over the defense and/or settlement of any such claim or suit, including without limitation the selection of counsel. Muehlbauer shall not have any liability for any settlement or compromise made without its express written consent. In the event a final judgment is obtained against Customer's use of the Goods, Muehlbauer may, at its option and expense, obtain the right to continued use, substitute substantially equivalent noninfringing Goods, or take back any infringing Goods in Customer's possession and refund the purchase price less a reasonable charge for use. Muehlbauer shall not have any liability or obligation to Customer under this Section IX to the extent any claim of infringement is based upon the use of the Goods in connection with or in combination with any equipment, devices or software not supplied by Muehlbauer, or use of the Goods in a manner other than as specified in the operations manual or any products manufactured with the Goods or software supplied by Muehlbauer or if Customer alters or modifies the Goods. Muehlbauer shall not be liable for any infringement of patents or other intellectual property rights in countries other than the country where the Goods originated and the country to which Muehlbauer ships the Goods. THE FOREGOING STATES MUEHLBAUER'S ENTIRE LIABILITY FOR PATENT AND COPYRIGHT INFRINGEMENT CLAIMS BASED UPON THE SALE OR USE OF THE GOODS.

X. Confidential Information.

Muehlbauer owns valuable research, designs, plans, drawings, specification sheets, manuals, component lists, inventions, trade secrets, proprietary information, know-how, patent applications, and other intellectual property (the "Confidential Information"). Customer expressly agrees to maintain strictest confidence at all times any Confidential Information provided to Customer and to make absolutely no use whatsoever for the benefit of Customer or any third party of the Confidential Information other than for the sole purpose of enabling Customer to operate, repair and maintain the Goods. It is expressly understood and agreed by and between the parties that all Confidential Information furnished to Customer by Muehlbauer shall remain at all times the exclusive property of Muehlbauer.

XI. Dispute Resolution.

1. **Applicable Law.** These Terms and Conditions shall be governed by the law of the Commonwealth of Virginia, without regard to its conflict of law principles. The United Nations Convention on Contracts for the International Sale of Goods and the 1974 Convention on the Limitation Period in the International Sale of Goods, as amended by the 1980 Vienna Protocol, are excluded.
2. **Exclusive Jurisdiction.** With respect to any dispute, claim or controversy arising under, out of, in connection with or relating to the contract, or any course of conduct, course of dealing, statements (oral or written), or actions of Muehlbauer or Customer relating to the contract, Customer agrees that any action at law, suit in equity or other judicial proceeding for the enforcement of the contract or any provision hereof shall be instituted only in the United States federal or state courts located within the Commonwealth of Virginia, provided that Muehlbauer at its option may elect to sue Customer at its principal place of business or in any jurisdiction in which the Goods or other assets of Customer may be found.
3. **WAIVER OF JURY TRIAL.** TO THE FULLEST EXTENT PERMITTED BY LAW, MUEHLBAUER AND CUSTOMER HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND WITH THE ADVICE OF COUNSEL WAIVE ANY RIGHTS THAT EITHER OF THEM MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY DISPUTE, CLAIM OR CONTROVERSY BASED ON THIS CONTRACT OR THE GOODS OR SERVICES, OR RELATING TO, ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS CONTRACT OR THE GOODS, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (ORAL OR WRITTEN), OR ACTIONS OF MUEHLBAUER OR CUSTOMER RELATING TO THIS CONTRACT OR THE GOODS OR SERVICES. THIS WAIVER WILL APPLY REGARDLESS OF HOW ANY CAUSE OF ACTION IS DENOMINATED AND REGARDLESS OF WHAT RELIEF IS SOUGHT. IF THIS WAIVER IS INEFFECTIVE AS TO ONE OR MORE CAUSES OF ACTION FOR ANY REASON, THIS WAIVER WILL REMAIN EFFECTIVE AS TO ALL OTHER CAUSES OF ACTION.
4. **Attorney's Fees.** In the event of any suit, action or proceeding of any nature related to this contract, the prevailing party shall be entitled to recover its reasonable attorney fees, costs, and expenses incurred in such dispute, including any appeal thereof.

XII. Miscellaneous.

1. **Effect of Waiver.** No delay or failure to exercise any right or remedy accruing to Muehlbauer upon any breach or default of Customer shall impair any such right or remedy or be construed to be a waiver of any such breach or default; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring.
2. **No Modification.** No modification of these Terms and Conditions shall be binding upon Muehlbauer unless it is in writing, is signed by an authorized representative of Muehlbauer, and refers specifically to the Terms and Conditions and the portion(s) of the Terms and Conditions that it is intended to modify.
3. **No Third-Party Beneficiary.** The Terms and Conditions and any purchase order shall inure only to the benefit of the parties hereto and to no third parties.
4. **Notices.** Unless otherwise specified herein, all notices, requests and other communications to any party shall be in writing (including facsimile transmissions and similar writings) and shall be given to such party at its address or facsimile number set forth in the order confirmation or such other address or facsimile number as such party may hereafter specify for that purpose by notice to the other party. Each such notice, request or other communication shall be effective (i) if given by facsimile, when such telecommunication is transmitted and confirmation of receipt obtained, (ii) if given by mail, five days after such communication is deposited in the mail by certified mail, return receipt requested, first class postage prepaid, addressed as aforesaid or (iii) if given by any other means, when delivered at the address specified.
5. **Section Headings.** The headings of the sections herein are inserted for convenience only and are not intended to affect the meaning or interpretation of the Terms and Conditions.
6. **Severability.** If any provision of the Terms and Conditions conflicts with any statute or rule of law of any jurisdiction wherein it may be sought to be enforced, then such provision shall be deemed null and void to the extent that it may conflict therewith, but without invalidating the remaining provisions of the Terms and Conditions.
7. **Successors and Assigns.** The Terms and Conditions shall be binding upon and inure to the benefit of the parties thereto and their respective successors and assigns. If the payment terms are other than cash at delivery, Customer may not assign its rights hereunder or under any purchase order without Muehlbauer's prior written consent, which consent may be withheld in Muehlbauer's sole discretion.
8. **Survival of Provisions.** The following provisions of these Terms and Conditions will survive termination of the contract for any reason: Sections V (Security Interest), VII (Warranty), VIII (Limitation of Liability), IX (Intellectual Property), X (Confidential Information), XI (Dispute Resolution), and XII (Miscellaneous).
9. **Use of Names.** Customer shall not use the name, logo, or other marks of Muehlbauer, or any abbreviation thereof in any manner, including, but not limited to, advertising, trade display, or public statement, or for any commercial purpose without the prior written consent of Muehlbauer, which consent may be withheld in Muehlbauer's sole discretion.
10. **Sales Tax Indemnity.** Customer agrees to indemnify and hold Muehlbauer harmless from and against any and all claims, losses, damages, liability, taxes, penalties, interest and/or costs, including but not limited to reasonable attorney's fees and court costs, however caused, resulting from, arising out of or in anyway connected with sales and/or use taxes, as applicable, levied or claimed by any governmental entity in any circumstance where Customer has provided Muehlbauer with a certificate, letter or other document or representation indicating that a sale or lease to Customer or any other transaction is exempt from sales and/or use tax. The indemnity agreement set forth in this paragraph applies to any and all transactions and business relations between Muehlbauer and Customer, including without limitation, the deliveries, work and/or service which is the subject of this contract, as well as any past or future contracts or transactions.