

LEISTRITZ ADVANCED TECHNOLOGIES CORP. ("Leistritz") Standard Terms and Conditions

COMPLETE AGREEMENT- All Products and Services provided by or through Leistritz are on the following terms and conditions notwithstanding any additional or conflicting terms and conditions from Purchaser contained in any of Purchaser's correspondence including Request for Quotation, Order or Acknowledgment form, nor shall any verbal representation, promise, course or dealing, trade usage, modification, rescission, or waiver be implied, incorporated or binding, unless and until specifically agreed to by Leistritz in a separate writing signed by both Leistritz and the Purchaser, except as overridden by additional, conflicting or separate terms from Leistritz found in the body of its Quotation or Order Acknowledgment. Commencement of performance or shipment by Leistritz will not constitute acceptance by Leistritz of additional or inconsistent terms or conditions.

DELIVERY AND RISK OF LOSS - Products are furnished f.c.a. Leistritz factory and shall be complete upon delivery to the transporting carrier, whereupon Risk of Loss transfers to the Purchaser. Title and a security interest shall remain with Leistritz until the Products or Services are paid for in full, and are to be perfected with Purchaser's cooperation, by the filing of a UCC-1 or an equivalent form where appropriate, which shall supersede the interest of any other party in and to the Products, and shall constitute notice and demand for return of Leistritz Products in the event of a bankruptcy or receivership. Purchaser shall obtain insurance in sufficient amount to cover unpaid portion of purchase price at Purchaser's expense with Leistritz as the named payee up to the unpaid amount of the purchase price and shall deliver to Leistritz a certificate of insurance showing same. If shipment or delivery is delayed, due in whole or in part by Purchaser's fault or that of Purchaser's chosen agents, employees or representatives, Products shall be stored at Purchaser's cost and expense and Purchaser shall be liable for all liquidated, direct, indirect or consequential damages resulting therefrom or related thereto. Leistritz shall not be responsible for any direct, indirect, special, consequential or liquidate damages caused by or related to or arising from any delays in shipment or delivery whether caused by any force majeure, natural disaster, war, strike, military action, transportation interruption, or computer "crash". Any changes to the Product initiated by Purchaser or its' agents, I employees or representatives subsequent to Order Acceptance and late delivery not the fault of Leistritz shall entitle Leistritz to reasonable price and delivery adjustments.

WARRANTY AND DAMAGES - Leistritz warrants that the Products of its manufacture are free from defects in materials and workmanship and are manufactured in accordance with the specifications included with Leistritz Quotation or Order Acknowledgment or as received from the Purchaser with its Request for Quotation or Purchase Order, or as these may have been revised in a writing signed by both parties. Changes and modifications sent or received by e-mail or fax must be followed immediately thereafter by "hard" copy. Specifications do not constitute performance guarantees.

This warranty is in effect for the benefit of the original Purchaser / user for the period of 12 months from the date of shipment. It does not cover damage or failure to perform as specified due to normal wear and tear, corrosion, erosion, when application or conditions differ from those set forth by the customer in its specifications, or, where not included, differ from those normally accepted in the industry for the application.

Where a defect is found by Leistritz to exist which has been reported by the Purchaser to Leistritz in writing during the warranty period, Leistritz shall repair, replace (f.o.b. Leistritz' factory) or, at Leistritz' option, accept return of the Products for a refund of the purchase price. Purchaser must return the Products within thirty (30) days from receipt of notice that Leistritz is exercising the return / refund option. **THIS WARRANTY AND THE REMEDIES PROVIDED FOR HEREIN ARE IN LIEU OF ANY OTHER REMEDIES, EXPRESSED OR IMPLIED. LEISTRITZ SHALL NOT BE RESPONSIBLE FOR ANY DIRECT, INDIRECT, SPECIAL, CONSEQUENTIAL OR LIQUIDATED DAMAGES CAUSED BY OR RELATED TO OR ARISING FROM ANY FAILURE TO PERFORM OR DEFECT IN THE MATERIALS OR WORKMANSHIP OF THE PRODUCTS OR SERVICES, WHETHER CAUSED BY ANY FORCE MAJEURE, SUCH AS, BUT NOT LIMITED TO, NATURAL DISASTER, WAR, STRIKE, MILITARY ACTION, TRANSPORTATION INTERRUPTION, OR COMPUTER "CRASH", WHETHER IN CONTRACT, TORT, STATUTE, FRAUD, MISREPRESENTATION, STRICT LIABILITY, NEGLIGENCE, OTHER LEGAL THEORY OR INDEMNITY. ANY CHANGES TO THE PRODUCT, UNINTENDED USE OR MISUSE, ABUSE OR IMPROPER HANDLING, OPERATION, USE WITH RADIOACTIVE MATERIALS OR STORAGE BY PURCHASER OR ITS' AGENTS, EMPLOYEES, REPRESENTATIVES OR THIRD PARTIES, SHALL MAKE THIS WARRANTY NULL AND VOID. LEISTRITZ MAKES NO WARRANTIES, EXPRESSED OR IMPLIED, WHETHER OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE. THE PURCHASER'S SOLE REMEDY SHALL BE AS SET FORTH IN THESE STANDARD TERMS AND CONDITIONS. PRODUCTS OR ACCESSORIES NOT OF LEISTRITZ ANUFACTURE SHALL CARRY THE WARRANTY OF THE MANUFACTURER.**

PAYMENT TERMS AND TAXES - Payment terms are net 30 days from date of invoice unless different terms are agreed to, in writing, by the parties. If Leistritz requires letters of credit, Purchaser shall make them unconditional and payable upon demand. Leistritz reserves the right to substitute materials and designs of equal or greater quality consistent with the application and conditions as set forth by the Purchaser. Payment terms shall be adjusted accordingly. Purchaser is responsible for all federal, state and local taxes including excise, sales, privilege, use or other taxes. Purchaser must provide exemption certificates at time of the Purchase Order. The Purchaser may not withhold payment on any order because of a Dispute regarding any one or more orders, Products or Services.

CANCELLATION PROVISIONS - Once placed in line for production, should the Purchaser desire to terminate the Purchase Order, Purchaser shall be responsible for all costs and expenses incurred by Leistriz in connection

with the Purchase Order, including engineering costs, drawings, cost of raw materials, transportation, cost and expenses in connection with the pre-order sales effort or 25% of the purchase price, whichever is greater.

Termination Provisions - Purchase Orders which are delayed beyond 180 days from receipt of the Purchase Order at no fault of the Purchaser or Leistriz may be terminated by either party; however, the "Cancellation Provisions" shall apply.

DRAWINGS- Leistriz does not provide detailed or shop working drawings of its Products.

PATENTS - Leistriz shall indemnify and hold harmless Purchaser from any and all claims of infringement based upon the design of its Products. Purchaser shall indemnify and hold Leistriz harmless for any and all claims of infringement based upon any modification or use by the Purchaser of the Leistriz Products.

STANDARDS-STATE AND LOCAL - Leistriz will comply with the Fair Labor Standards Act, OSHA, and any federal, state and local law called out by the specifications or Request for Quotation submitted by the Purchaser to

Leistriz. Leistriz will include the cost of compliance in the price of its Products. Any other federal, state or local laws, such as compliance with FDA regulations, not specifically called to the attention of Leistriz at the time of the Request for Quotation or Purchase Order, shall be the responsibility of the Purchaser.

ATOMIC ENERGY USE - The Purchaser represents and warrants that the Products being supplied hereunder are not to be used in the creation, handling, use or sale of atomic energy or any activity associated therewith. Purchaser will indemnify and hold Leistriz harmless from any cause of action whatsoever, whether in contract, tort, statute, fraud, misrepresentation, strict liability, negligence, other legal theory or indemnity arising from or related to a breach of Purchaser's representation made herein. In the event that Purchaser notifies Leistriz that the Products will be used or related to use with atomic energy, Leistriz will supply Purchaser with a copy of its Nuclear Indemnification Policy. Purchaser agrees to comply with and to be bound by, all the terms, provisions and conditions thereof.

DISPUTE RESOLUTION - The parties agree to attempt to settle each and every dispute, controversy or claim, whether based in contract, tort, statute, fraud, misrepresentation or any other legal theory, arising out of or relating to this transaction and subsequent transactions of a similar nature, ("Disputes") through good faith negotiations. If, within 30 days of the Dispute, it cannot be settled through negotiations, each party agrees to submit the Dispute to Binding Arbitration under the then current Commercial Arbitration Rules of the American Arbitration Association ("AAA"), to be administered through the AAA's Somerset, New Jersey office. Hearings will take place at a mutually convenient location in New Jersey. If the Dispute is for amounts of \$100,000 or more, it shall be heard before a panel of three Arbitrators. Each party shall bear its own expenses and share equally the filing and administrative fees of the AAA and the arbitrator (s). The arbitrator(s) shall not have the power to find punitive or liquidated damages unless expressly allowed in the transactional documents which constitute the agreement of the parties. Scope of pre-hearing discovery shall be limited as permitted by the arbitrator (s).

APPLICABLE LAW - The laws of the State of New Jersey shall apply. Any court action taken in connection with the forgoing shall be brought in the Superior Court of the State of New Jersey, except that, confirmation of an Award in Arbitration may be sought in any court of competent jurisdiction. The arbitrator shall have the power to rule on any other motions in connection with this Arbitration.