



TERMS AND CONDITIONS OF SALE

(Except as otherwise agreed by Seller in writing, the following terms and conditions will apply to all orders received and all sales made by Bull Engineered Products, Inc. ["Seller"])

1. GENERAL: The terms and conditions set forth herein constitute the sole and entire agreement between Seller and the buyer named on the reverse side hereof ("Buyer") with respect to the subject matter hereof. Any term or condition in any order, confirmation or other document furnished by Buyer which is in any way inconsistent with or in addition to the terms and conditions hereof is expressly rejected, and Seller's acceptance of any offer or order of Buyer is hereby expressly made in reliance on Buyer's assent to all terms and conditions hereof. All references to terms and conditions "hereof" and "herein" or similar language include all terms and conditions on the reverse side hereof. If Buyer objects to any of the terms or conditions hereof, such objection must be made in writing and received by Seller at the address stated on the reverse side hereof within ten (10) days after this document is transmitted to Buyer. Failure to so object shall be conclusively deemed to be acceptance of the terms and conditions hereof. Seller's failure to object to any term or condition in any oral or written communication from Buyer, whether delivered before or after the date hereof, shall not constitute an acceptance thereof or a waiver of any term or condition hereof.

2. TAXES: The prices set forth herein are not subject to trade or other discounts and, except as otherwise expressly stated herein, federal, state or local taxes applicable to goods or services involved in this transaction. All such taxes shall be paid by Buyer unless Buyer provides Seller with evidence satisfactory to Seller of exemption from such taxes. When Seller is required by law or regulation to collect such taxes, Seller will add such taxes to the sales price of the goods or services.

3. PRICES: The sales price(s) for goods will be the list or posted price(s) of Seller in effect at the time of delivery, and will include the cost of Seller's usual factory tests and inspections. The cost of packing and crating in accordance with the standards of Seller is an additional charge and will be added to the sales price(s). Prices applied to this order will be firm for a period of three (3) months from the date hereof.

4. DELIVERY, TITLE PASSAGE AND INSURANCE:

(a) Delivery. Delivery of shipping dates, if any, set forth herein are approximate only and merely represent Seller's best estimate of the time required to make delivery or shipment. Time is not of the essence with respect to the transaction covered by these Standard Terms and Conditions of Sale, except with respect to Buyer's obligation to make all related payments. Seller will not be liable for any loss or expense (consequential or otherwise) incurred by Buyer as a result of any delay in delivery for any reason, including the fault or negligence of Seller. Seller reserves the right to make partial deliveries.

(b) Title Passage for Sales. Except as otherwise expressly stated herein, all deliveries hereunder to destinations other than the United States will be via a carrier selected by Buyer at its option, or otherwise by Seller, freight collect, to Buyer at its address set forth on the reverse side hereof and will be packed in Seller's standard shipping packages. In all such cases, (regardless of the designated F.O.B. point) title and risk of loss or damage will pass to Buyer on arrival of the goods at the port of entry, country of destination (but prior to unloading or customs inspection at such port) or the port of discharge outside the United States, or thirty (30) days from shipment, whichever first occurs. No loss or damage will relieve Buyer of its obligation hereunder, including payment for lost or damaged goods. All risks of transportation, prior to the passage of title, are for the account of Seller. Seller will have the exclusive right, as owner, to control the shipment, including the right to take possession of the goods from third parties, such as banks, transport companies, or customs officials, or Buyer at any time and at any point up to the time title passes to Buyer. Neither (i) the time, method, place or medium of payment provided herein or any combination of the foregoing, nor (ii) the manner of consignment provided for, whether to, or to the order of Buyer or its agent, will in any way limit or modify the rights of Seller, as the owner of the goods, to have control over and the right of possession of the goods until the title thereto passes to Buyer as provided for above. In the event that a bank has, by reason of credit extended to Buyer or for any other reason, an interest in the shipment, it is agreed that Seller may consign the goods to said bank through the usual channels; in each such case, the full right of ownership of and control over the shipment shall remain in Seller until title passes to Buyer as provided herein. The terms "ownership" and "title" as used in these Standard Terms and Conditions of Sale mean full beneficial ownership of the goods and not merely bare legal title retained for security purposes.

(c) Insurance. Buyer will pay, or reimburse Seller for, all insurance on the goods. Any insurance proceeds collected by Buyer for Seller's account will be promptly remitted to Seller in U.S. Dollars. Any insurance policies purchased, whether by Buyer or Seller, will be for the benefit of Seller, whether or not Seller is named as an insured in such policies, until title and risk of loss or damage to the goods pass to Buyer. Where possible, all insurance policies will provide that they are for the benefit of Seller and Buyer "as their interests may appear."

5. BUYER'S CONDITION: This agreement and all shipments made hereunder shall at all times be subject to the approval by Seller of Buyer's financial condition. If the financial condition of Buyer at any time becomes unsatisfactory to Seller or if Buyer fails to make any payments when due, in addition to any other rights Seller may have Seller may defer or decline to make any shipment or shipments hereunder or may condition such shipment upon receipt of satisfactory security or cash payments in advance.

6. PAYMENT TERMS: Except as otherwise expressly stated herein, Seller shall invoice Buyer at the time of shipment of each installment on payment terms of cash on delivery, except where open account credit is established and maintained to Seller's satisfaction, in which case payment shall be net thirty (30) days from date of shipment. Buyer shall make all payments as provided herein without regard to whether Buyer has made or may make any inspection or use of any goods delivered hereunder. Any invoiced amount which is not paid when due shall bear interest at the rate of one and one-half percent (1 1/2%) per month or the highest rate permitted by law, whichever is less.

For all sales over Five Thousand U.S. Dollars (U.S. \$5,000), payment will be made through the medium of a Letter of Credit to be established by Buyer at its expense including any bank confirmation charges. All Letters of Credit will be in favor of and acceptable to Seller, will be maintained in sufficient amounts and for the period necessary to meet all payment obligations, will be irrevocable and issued, or confirmed, by a bank in Charlotte, North Carolina satisfactory to Seller within fifteen (15) days after acceptance of any order, will permit partial deliveries and will provide pro rata payments upon presentation of Seller's invoices and Seller's certificates of delivery F.O.B. Seller's factory, or of delivery into storage with certification of cause therefor, and for the payment of any termination charges.

7. SECURITY INTEREST: Seller retains a security interest in all goods delivered hereunder and all proceeds and goods thereof until all amounts due or to become due hereunder have been paid. Any repossession and removal of goods shall be without prejudice to any of Seller's other remedies at law or in equity. Buyer agrees, without further consideration, at any time to do or cause to be done, executed and delivered, all such further acts and instruments (including without limitation financing statements appropriate for filing) as Seller may reasonably request in order to perfect Seller's security interest.

8. CONTINGENCIES: Seller shall not be liable for delay in performance or nonperformance of any of its obligations hereunder, in whole or in part, if such performance is rendered impracticable by the occurrence of any contingency or condition beyond the control of either Seller or Seller's suppliers, including without limitation war, sabotage, embargo, riot or other civil commotion, failure or delay in transportation, act of any government or any court or administrative agency thereof (whether or not such action proves to be invalid), labor dispute (whether or not involving Seller's employees), accident, fire, explosion, flood or other casualty, shortage of labor, fuel, energy, raw materials or machinery or technical failure. If any such contingency or condition occurs, Seller may allocate production and deliveries in any reasonable manner and may include in such allocation any regular customers, whether or not then under contract, and Seller's own requirements. If, as a result of any such contingency, Seller's performance is delayed by more than six (6) months, the prices set forth herein shall be subject to appropriate adjustment by Seller.

9. SUBSTITUTIONS AND MODIFICATIONS: Seller may substitute or modify goods provided the substituted or modified goods comply with applicable specifications. Seller may overship or undership up to ten percent (10%) on any order. Invoices shall be based on the quantity actually shipped.

10. WARRANTY: SUITABILITY:

(a) Seller warrants goods delivered hereunder against faulty workmanship and use of defective materials for a period of six (6) months from the date of shipment. Faulty workmanship and/or use of defective materials shall hereinafter be referred to as a "deficiency." The foregoing warranty shall not be enlarged, or affected by, and (except as expressly provided below in this Section 10) no obligation or liability shall arise or grow out of, Seller's rendering of systems design, drawings, technical advice, services or instructions in connection with the goods furnished hereunder. Such warranty is the only warranty made by Seller and it can be amended only by a written instrument signed by a duly authorized officer of Seller. If the goods furnished by Seller hereunder are determined to contain a deficiency, Buyer's exclusive remedy (irrespective of Seller's fault or negligence) shall be to have Seller repair such goods or supply replacement goods or credit Buyer's account for such goods and accept their return, whichever Seller may elect in its sole discretion. Notwithstanding the foregoing sentence, in no circumstances shall Seller have any liability or obligation with respect to expenses, liabilities or losses associated with the installation or removal of any goods or the installation of replacement goods or for any inspection, testing or redesign occasioned by any deficiency or by the repair or replacement of goods. Seller's obligations are subject to the further condition that Seller shall have no liability whatsoever for any deficiency unless (i) Seller is notified in writing promptly (and in no event later than thirty (30) days) after discovery by Buyer of the alleged deficiency, which notice shall include a detailed explanation of the alleged deficiency, (ii) the goods containing the alleged deficiency are promptly returned to Seller, F.O.B. Seller's plant, and (iii) Seller's examination of such goods discloses to Seller's satisfaction that such alleged deficiency actually exists and occurred in the course of proper and normal use and was not caused by accident, misuse, neglect, alteration or improper installation, repair or testing. If any goods so prove to contain a deficiency and Seller elects to repair or replace them, Seller shall have a reasonable time to make such repairs or replacement. If the contract calls for systems design, drawings, technical advice, services or instructions (collectively "Services") by Seller in connection with the goods, Seller further warrants for the above stated warranty period solely that such Services will be undertaken in accordance with Seller's reasonable technical judgment based on Seller's understanding of the pertinent technical data as of the date of performance of such Services. THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION

Page 1 of 2

ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT, AND OF ANY OTHER OBLIGATION ON THE PART OF SELLER.

(b) It shall be the responsibility of Buyer to determine, on the basis of the most current written technical data, the suitability of the goods and of any system design or drawings for the intended use and their compliance with applicable laws, regulations, codes and standards and the Buyer assumes all risks pertaining thereto.

Initial

11. LIMITATION OF LIABILITY AND INDEMNITY: Notwithstanding any other provision herein or in any other document or communication, (a) Seller's liability and obligations with respect to any claim(s) resulting or arising from or relating to this agreement, whether in contract, strict liability, tort (including negligence) or otherwise, shall in no event exceed in the aggregate the total purchase price actually received by Seller for the goods delivered hereunder (or, in the case of obligations arising from or relating to particular goods delivered hereunder or Services rendered in connection herewith, the purchase price of such goods or amount actually received by Seller for such Services, respectively), and (b) Seller shall in no event be liable to Buyer or any other person or entity, whether in contract, strict liability, tort (including negligence) or otherwise, for loss of or damage to or loss of use of facilities or other property, loss of revenue, loss of anticipated profits, cost of replacement fuel or other incidental, indirect, special or consequential damages of any kind whatsoever, or claims of any customers of Buyer or other claimants, resulting from or arising from or relating to this agreement or Seller's performance (or non-performance) of its obligations hereunder. By accepting delivery of the goods ordered, Buyer agrees that it indemnifies and holds harmless Seller from and against all claims, loss, damage and liability, including without limitation for personal injury, property damage or commercial loss of whatever kind, directly or indirectly resulting from or arising from or relating to this agreement or Seller's performance (or non-performance) of its obligations hereunder, irrespective of Seller's fault or negligence.

12. ACCEPTANCE: All goods and Services delivered or rendered hereunder shall be conclusively deemed accepted unless, within thirty (30) days after the date of delivery of goods or rendering of Services, Seller receives written notice of rejection. Acceptance as aforesaid shall constitute acknowledgement of full performance by Seller of all its obligations hereunder.

13. PATENTS: Seller agrees to settle and defend any suit or proceeding brought against Buyer insofar as such suit or proceeding is based on a claim that any goods supplied by Seller to Buyer hereunder constitute direct infringement of any issued United States patent. Seller shall pay all damages and costs finally awarded therein against Buyer, provided Seller is informed by Buyer in writing within ten (10) days after receipt by Buyer and furnished a copy of each communication, notice or other action relating to the alleged infringement and is given all authority (including the right to exclusive control of the defense of any suit or proceeding), information and assistance necessary to settle or defend such suit or proceeding. In the event such goods or any part thereof are, in such suit, held, to constitute infringement and the use of such goods, or part thereof, or modify them so that they become non-infringing or remove such goods, or part thereof, and grant Buyer a credit thereon and accept their return. Seller shall not be obligated to settle or defend any suit or proceeding, or be liable for any costs or damages, if the alleged infringement arises out of compliance with Buyer's specifications or any addition to or modification of the goods after delivery thereof or from use of the goods or any part thereof in conjunction with other goods or in the practice of a process. Seller's obligations hereunder shall not apply to any alleged infringement occurring after Buyer has received notice of such alleged infringement unless Seller thereafter gives Buyer express written consent for such continuing alleged infringement. Seller shall not be bound in any manner by any settlement hereunder made without its prior written consent, nor shall Seller be liable for any incidental, special, indirect or consequential damages arising out of patent infringement. Seller's liability hereunder shall not exceed the purchase price actually paid by Buyer for the allegedly infringing goods, if infringement is alleged prior to the completion of delivery of the goods, Seller may decline to make further shipments without being in breach of this agreement. THE FOREGOING STATES THE SOLE AND EXCLUSIVE LIABILITY OF SELLER FOR PATENT INFRINGEMENT AND IS IN LIEU OF ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, IN REGARD THERETO. Buyer agrees, at its expense, to settle or defend and to pay costs and damages finally awarded in any suit or proceeding against Seller based on an allegation that any goods furnished hereunder according to designs or specifications furnished by Buyer infringe any United States patent, provide Buyer is promptly notified in writing of such suit or proceeding and is given full authority (including the right of exclusive control of the defense of any suit or proceeding), information and assistance necessary to defend or settle such suit or proceeding.

14. PROPERTY FURNISHED BY BUYER: If Buyer furnishes any tools, dies, jigs or other property or facilities to Seller in connection with the performance of this agreement, Buyer shall bear all risk of loss or damage with respect to such property or facilities. Seller shall not be responsible for any delay in performance or nonperformance hereunder or the failure of any goods to conform to applicable specifications resulting, in whole or in part, from Seller's use of property or facilities furnished by Buyer.

15. PROPRIETARY INFORMATION: As used herein, the term "Proprietary Information" includes any information of a confidential or proprietary nature obtained from Seller and any information obtained from Seller which is not readily available to Seller's competitors and which, if known by a competitor of Seller, might lessen any competitive advantage of Seller or give such competitor a competitive advantage. Seller retains ownership of all Proprietary Information and all documentation which contains Proprietary Information. Buyer shall not disclose, duplicate or reproduce any Proprietary Information nor shall Buyer use any Proprietary Information other than in the course of performing its obligations hereunder. Buyer shall take all reasonable steps to prevent the disclosure, duplication or reproduction of any Proprietary Information. Notwithstanding the foregoing, Buyer shall not be required to refrain from disclosing or using any Proprietary Information which has become known to Buyer if the original source of such Proprietary Information was not Seller or any person or party affiliated with Seller or having a relationship of confidentiality with Seller.

16. CANCELLATION; RETURNS: Neither this agreement nor any release hereunder is subject to cancellation by Buyer, nor are any goods delivered and accepted hereunder subject to return, except upon (a) written approval of Seller, and (b) the payment to Seller of a fair and equitable cancellation or return charge based upon actual costs (including overhead and other indirect costs) incurred to the date of approval of cancellation or return, together with a reasonable allowance for profit, which shall not be less than fifteen percent (15%) of such costs. Seller reserves the right, by written notice of default, to cancel this order, without liability to Seller, in the event of the happening of any of the following: insolvency of Buyer, the filing of a voluntary petition in Bankruptcy by Buyer, the filing of an involuntary petition to have Buyer declared bankrupt, the appointment of a receiver or trustee for Buyer, the execution by Buyer of an assignment for the benefit of creditors, the discontinuance of business by Buyer, or the sale by Buyer of the bulk of its assets other than in the usual course of business.

17. NO LICENSE: Neither this agreement nor any purchase of goods hereunder shall be construed to confer upon Buyer or its customers any license under any patent or other proprietary rights of Seller, except the right to use such goods for the purposes for which they are sold.

18. SERVICE CALLS: Except as otherwise expressly stated herein, any Service calls or other Service work performed by Seller shall be at the expense of Buyer in accordance with Seller's standard rates for such Services.

19. SOURCE INSPECTION: Except as otherwise expressly stated herein, Buyer shall have no right to enter Seller's premises to conduct source or other inspections. If Seller permits any such inspection, all agents of Buyer entering Seller's premises shall be subject to Seller's usual security requirements, including without limitation the execution and delivery of appropriate nondisclosure agreements.

20. NON-WAIVER OF DEFAULT: No failure by Seller to insist on strict performance of any term or condition hereof shall constitute a waiver of such term or condition or any breach thereof, nor shall such failure in any way affect Seller's legal remedies with respect to any default by Buyer hereunder.

21. APPLICABLE LAW: This agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, U.S.A., without regard to its conflicts of law principles.

22. ASSIGNMENT: Buyer may not transfer or assign this agreement or any interest herein, by operation of law or otherwise, without the prior express written consent of Seller and any attempted transfer or assignment of this agreement or any rights or duties hereunder without such consent shall be void. Seller may assign its rights and delegate its duties hereunder.

23. ENTIRE AGREEMENT; MODIFICATION: This agreement supersedes all prior written and oral agreements and understandings between Seller and Buyer with respect to the goods and Services specified herein. No representation or statement not contained herein shall be binding upon Seller as a warranty or otherwise. No addition to or waiver, modification or cancellation of any provision hereof shall be binding upon Seller unless in writing and signed by a duly authorized representative of Seller. Without limiting the generality of the foregoing, no addition hereto or modification hereof shall be effected by Seller's receipt or acceptance of Buyer's purchase orders, confirmations or other documents or communications or by manufacture or shipment of goods or performance of Services.

24. NOTICES: All notices and other communications hereunder shall be in writing and shall be mailed by first-class, registered or certified mail, postage prepaid, to the parties hereto at their respective addresses set forth on the reverse side hereof, subject to the right of either party to change such address upon ten (10) days prior written notice.

25. EXPENSES OF SUIT: If legal action is commenced to enforce the performance of any part of this agreement, including without limitation any order or release made hereunder, the prevailing party shall be paid by the other party reasonable attorneys' fees and expenses.

26. TITLES: The titles preceding the sections of these terms and conditions are for reference only, and shall be disregarded in the construction thereof.

27. GENERAL:

- (a) Seller's obligations hereunder will be dependent upon Seller's ability to obtain the necessary raw materials.
- (b) All correspondence pertaining to this order, or to any of the terms and conditions covered by this order, will be in the English language.
- (c) All quotations of Seller are subject to change at any time prior to acceptance of an order and expire forty-five (45) days from the date hereof.
- (d) All prices are subject to change without notice and may be subject to any increase which may be in effect on the date of shipment.
- (e) Any provisions in any purchase order, quotation, acknowledgment or other forms or contract documents applicable to sales of Seller's goods which are inconsistent, or in conflict, with any of the provisions herein will be deemed to be inapplicable to such sales.

Name (Print): _____

Company: _____

Signature: _____

Date: _____

Initial