The foregoing agreement by Stiles Machinery Inc. ("Seller") is subject to the following terms and conditions:

1. Acceptance

This agreement by Seller is subject to assent by the customer ("Buyer") to all terms herein to which Buyer has previously objected (if any), or which materially affect any terms proposed by Buyer (if any) covering the subject matter of this agreement. Buyer’s acceptance of an offer of the goods sold hereunder, any payment by Buyer for such goods, or any other form of acceptance by Buyer, shall constitute Buyer’s acceptance of all terms and conditions herein. Descriptions, specifications, information and other data concerning Seller’s products contained in Seller’s catalogs, circulars, advertisements, price lists, or similar promotional materials or representations or statements thereof made by Seller’s representatives or sales agents or the Seller’s employees on Buyer’s premises in connection with this agreement, or out of the use, of or alleged to arise out of the delivery of goods covered hereby or out of the presence of Buyer which vary the terms hereof. Buyer acknowledges that these terms and conditions shall continue to be binding on Buyer regardless of any type of financing utilized by Buyer and/or any assignment of this agreement by Buyer. Buyer may only assign this agreement with Seller’s written consent.

2. Price Adjustment

Prices are based upon material, production, and manufacturing costs as of the date hereof and upon duties, tariffs and similar import or export charges and currency exchange rates in effect on the date hereof. Should there be changes adverse to Seller in such prices, charges or rates occur, the Seller reserves the right to adjust prices accordingly. Seller’s quotations are not binding upon Seller unless expressly stated as such in writing.

3. Delivery, Shipment, Security Interest, Risk of Loss, and Claims

Delivery of goods covered hereby shall be F.O.B. at the port of entry nearest Buyer unless otherwise specified by Seller. Seller may, at its option, ship all of the goods covered herewith at one time or in any portion thereof at any time. Seller shall reserve the right to ship goods sold hereunder immediately upon receipt of a written order by Buyer. If Seller has been advised of the possibility of such defects and Buyer hereby authorizes Seller to deliver the goods in question notwithstanding such defects. Seller’s invoices shall constitute an “evidence of indebtedness” as defined in the Uniform Commercial Code of the State of Michigan. Buyer shall acknowledge receipt of Seller’s invoice immediately upon receipt of Seller’s invoice. Invoices not paid within thirty (30) days of delivery shall bear a penalty of interest at the rate of one and one-half percent (1 1/2%) per month on any unpaid balance. Buyer’s failure to pay on any due date shall bear interest at the rate of one and one-half percent (1 1/2%) per month (18% per annum) on any overdue unpaid balance. Seller’s invoice shall constitute an “evidence of indebtedness” as described in the Uniform Commercial Code of the State of Michigan. Buyer consents that such courts shall have personal jurisdiction over Buyer with respect to any such action.

4. Force Majeure

Seller shall have no liability for any non-performance or delay in performance caused by circumstances beyond Seller’s control, including, but not limited to acts of God, fire, flood, war, government action, accident, labor trouble or shortage, inability to obtain material, equipment or transportation, or failure of Seller’s suppliers to furnish the goods.

5. Taxes

Buyer shall pay all privilege, occupation, personal property, sales, excise, use and other taxes applicable to the sale, purchase, storage, erection, use or ownership of the goods covered hereby, regardless of whether such taxes are invoiced by Seller.

6. Installation, Setting Up and Starting Goods

Unless otherwise agreed, prices do not include product erection or installation which shall be Buyer’s responsibility and expense. Buyer may obtain erection or installation service from a separately negotiated agreement provided, however, that nothing in this agreement shall obligate Seller to enter into any such agreement with Buyer. Exceptions to the terms and conditions accepted by Buyer in this agreement, or of the use of the goods sold by the Buyer for Buyer’s account as provided for in paragraph 8 shall apply only to products erected or installed by Seller or under Seller’s supervision, or by some person or organization expressly approved and authorized in writing by Seller to perform such erection or installation. In the event any product is not thus erected or installed, this limited warranty shall terminate immediately upon erection or installation or expiration of Buyer’s 10-day inspection period as provided for in paragraph 11. The average cost of meals for Internal Revenue reporting is .19% of the cost of the goods. The provisions hereof are intended as a complete and exclusive statement of the terms of the agreement between Seller and Buyer. This agreement may not be modified, rescinded, or cancelled, and no waiver by Seller of any claim or right hereunder shall be effective, except by written signed by an officer of Seller.

9. Remedies of Buyer and Limitation of Warranties

Seller warrants that the goods sold hereunder shall be free from defects in materials and manufacture at the time of delivery to Buyer. Seller may, at its option, repair or replace any defect, or pay the reasonable cost thereof, for any such defects notice of which is given to Buyer within thirty (30) days after discovery of such defect by Buyer, but not later than one (1) year after delivery of the goods to Buyer, except that notices for defects relating to motors, bearings, switches, contactors, relays, electronic components, air controls or air switches must be received within eighty (80) days of delivery of goods to Buyer. Seller shall have no obligation to remedy any defect except upon delivery of the defective part or parts to Seller at Seller’s office in Grand Rapids, Michigan. The repair, replacement, or payment in the manner business days after receipt by Buyer of products sold hereunder which may be deemed to be the warranty. Seller disclaims all other warranties whatsoever, express or implied, including all warranties of merchantability and fitness for a particular purpose. In no event shall Seller be liable for any consequential, incidental, special or indirect damages whatsoever (including without limitation personal injury, property damage, lost profits or other economic injury) even if Seller has been advised of the possibility of such damages. Buyer shall have no right to rejection or revocation of acceptance against Seller for any part or all of the goods covered hereby. Normal wear, tear, and deterioration during use, including but not limited to such items as light bulbs, belts, synthetic material and fuses, shall not constitute a defect in material or manufacture under this limited warranty. The one (1) year limited warranty is based on Buyer’s business consisting of a single shift eight hour per day operation. In no event is Seller liable for any damage or loss attributable to incorrect use or abuse of the goods, including but not limited to, inadequate or improper maintenance or unauthorized alteration. The foregoing warranty of Seller shall not limit Buyers’ recourse against a manufacturer of goods sold hereunder for any warranty extended by such manufacturer. The warranty of any manufacturer or other third party shall not be deemed to be the warranty of Seller.

10. Compliance with Laws

Unless otherwise expressly agreed in writing signed by Seller and Buyer, Seller shall not be liable to Buyer for, and Buyer agrees to indemnify and defend and hold Seller harmless from, any liability arising on Seller’s account against any party which vary the terms hereof. Seller of any claim based upon the condition, quantity, or grade of the products sold or of any claim nonconformity with Buyer’s specifications, which notice must indicate the basis of Buyer’s claim in detail. The failure of Buyer to comply with this paragraph 11 shall constitute irrevocable acceptance of the products sold to Buyer and bind Buyer to pay to Seller the full price of the goods or equipment.

12. Waiver of Claims or Defenses Against Secured Parties

Buyer agrees that it will not assert against any party having a security interest in any contract between Buyer and Seller, or in the inventory or accounts of Seller, or against any other assignee of any such contract, accounts, or inventory, any claim or defense which Buyer may have against Seller.

15. Governing Law, Venue, Service of Process

This contract shall be deemed to have been made in the State of Michigan, and any action arising out of it shall be governed by the law of the State of Michigan. Any action arising out of this contract may be brought only in a state or federal court sitting in the County of Kent, State of Michigan. Buyer consents that such courts shall have personal jurisdiction over Buyer with respect to any such action.

16. Reservation of Rights

No failure of Seller to insist upon or compel compliance by Buyer with any of the terms, provisions, or conditions hereof shall be construed as a waiver by Seller of its right to insist upon the performance thereof at the law or equity, as the case may be.