

J & G MACHINERY, INC. GENERAL TERMS AND CONDITIONS OF SALE

1. PRICE All prices are F.O.B. Sanford, NC or Origin of Shipment if item is drop shipped. All orders, whether placed directly or through an agent or salesman, are subject to a final approval and acceptance by J & G Machinery, Inc. All orders accepted are subject to prices in effect at time of order. Prices quoted are exclusive of Federal, State or Local Taxes and are subject to an increase equal to the amount of any such taxes either now in force or later imposed and applicable to Buyer's order. All or any taxes are sole responsibility of the buyer. Buyer agrees to assume any liability for any taxes which may be found due, hereby agreeing to indemnify and hold harmless the seller, J & G Machinery, Inc. Buyer will not be permitted to withhold payments or take deductions from payments on account of alleged claims against the seller unless consented to in writing by the seller. No claims can be made after 30 days from the date of shipping or invoice date.

2. SPECIFICATIONS Any documents such as specifications, illustrations, drawings or information relating to the weights, dimensions, dust collection requirements, power data or performance are to be regarded as approximations only. Any information should be expressed in writing and sent via mail, fax, or e-mail. Buyer agrees to assume any liability for expenses related to wrong information that has been relayed or given verbally by a J & G employee or vendor in regards to the above mentioned items.

3. DELIVERY The date of shipment stated in the particular sales conditions shall be considered as approximations only and not as legal obligations of the seller. The seller will endeavor to commence shipment on said dates, but the seller will not be liable for any loss or damage arising by failure to do so. In the event of a delay in production or delivery of the goods arising from circumstances beyond the reasonable control of the seller such as acts of GOD, acts of buyer, civil disorder, war, labor difficulties, production difficulties, or inability of the seller to obtain the necessary material, labor or transportation, this contract shall nevertheless remain in full effect. The seller shall notify the buyer of the occurrence of any event, which may cause substantial delay. The buyer shall not have the right to terminate the sales contract by reason of any such delay. In any event, risk of loss or damage in transit shall be borne by the buyer from the time the goods are delivered to the carrier. The carrier shall be solely responsible for any claim for damage or shortage after delivery to the carrier, and no such claims shall be made by the buyer against the seller.

4. CANCELLATION The sales contract may not be cancelled in whole or in part by the buyer without the prior written consent of the seller irrespective of any change in the business of the buyer, any change in economic conditions, or in any other change in circumstances. Deposits and down payments are not refundable unless specifically stated in writing by J & G Machinery, Inc.

5. REMEDIES UPON BREACH If buyer breaches this contract, J & G Machinery, Inc. shall be entitled, in addition to any other remedy at law or equity, to recover all cost and expenses incurred by J & G Machinery, Inc. in connection herewith. Such costs and expenses shall include without limitation, J & G Machinery's reasonable attorneys fee, costs of labor applied to this contract, overhead, costs of any material applied to or ordered for this contract and any charges imposed on J & G Machinery, Inc. by its supplier or subcontractors. If J & G Machinery, Inc. breaches this contract, buyer's exclusive remedy is to terminate this contract, after written notice to J & G Machinery, Inc. and to receive a refund of any amounts, if previously paid, for any machines or parts that have not been shipped or otherwise identified to this contract as of the date of such termination.

6. SECURITY AGREEMENT Title of the goods shall be retained by the seller until all amounts due under the sales contract have been paid in full. Any accessories, additional equipment, attachments or replacements parts added to or placed on the goods or used in connection therewith shall be deemed to be part of the goods. The buyer shall not remove the goods from the premises where the goods were originally shipped or permit the goods to become subject to a lien to any third party until full performance of all obligations of the buyer. In the event of default by the buyer of any obligation under the sales contract, the seller shall have such right to repossess the goods, with or without legal process. Buyer hereby grants to the seller a purchase money security interest under The Uniform Commercial Code (UCC) of the jurisdiction in which the goods are physically delivered in. Buyer understands that the UCC will remain in effect until the goods are paid in full. Any balance unpaid after the required payment date shall be subject to a 1-1/2% finance charge per month from such date.

7. WARRANTY J & G Machinery, Inc. warrants new machines according to the manufacturer's written warranty to the first owner-operator. The obligation of J & G Machinery, Inc. is limited to replacing or repairing the part and the expense for shipping the part via ground UPS or standard common carrier service. Next day delivery charges or expedited services via common carrier, if requested by the buyer, must be paid by the buyer. J & G Machinery, Inc. and/or its vendor reserve the right to examine the defective part before replacement is made. Invoice for the original sale must have been paid according to sales terms for the warranty to apply. This obligation does not cover abuse, negligence, alterations, faulty installation or accident caused by the owner-operator. Buyer/Customer agrees to pay all travel expenses related to a warranty claim, unless stated otherwise in writing or in the manufacturer's warranty. J & G Machinery, Inc. will use its commercially reasonable efforts to obtain replacement parts as required in a timely manner; however J & G Machinery, Inc. will not be responsible for any damages which result from delays that are beyond J & G Machinery's control. J & G Machinery, Inc. assumes no responsibility for representations made by unauthorized person's concerning liability or warranty. Any safety devices or other related protective mechanisms required by OSHA regulations are the responsibility of the buyer and the owner-operator and J & G Machinery, Inc. accepts no liability with respect thereto.

8. LIMITATION ON DAMAGES J & G Machinery, Inc. shall not be liable in tort, including liability in negligence or strict liability, and shall have no liability at all for injury to persons or property with respect to the machines or parts or J & G Machinery's performance hereunder. J & G Machinery's contractual liability for failures to fulfill its obligations hereunder or any liability in connection with the machines or parts shall be limited to the amount of the purchase price of the machines or parts. Even if J & G Machinery, Inc. has been advised of the possibility of the following, J & G Machinery, Inc. shall not be liable for any indirect, incidental, special or consequential damages, including lost profits and revenues, losses due to delay in shipment, failure to realize expected savings, any claim against customer by third party, or any other commercial or economic losses of any kind.

9. RETURNS Any return must be authorized in advance in writing from J & G Machinery, Inc. No C.O.D. will be accepted for any reason for returns. If not defective, parts can not be returned after 30 days from the Invoice date. Credit will be given upon inspection of the returned part, only if the part is in the same condition as when it was shipped from J & G Machinery, Inc. A 15% restocking fee will be charged for returning a spare part. Buyer is responsible for all freight charges. Machines can not be returned, unless they are malfunctioning and any attempt to restore their functionality has been done by a J & G Machinery, Inc. technician or its vendor without success. Application problems can not be considered a malfunction of the machine. If under special circumstances, not related to a problem, J & G does allow a customer to return a machine, it will subject to a 15% restocking charge and the buyer is responsible for all shipping charges to and from. If said machine is not returned in the same condition as it was shipped, buyer will be responsible for any charges to put machine back in its original condition.

10. GENERAL Any provisions or conditions of the buyer's order which are in any way inconsistent with or in addition to these standard conditions of sale shall not be binding on the seller and shall not be considered applicable to this sale, unless specifically agreed to in writing. The sales contract is made in North Carolina and shall be construed and enforced in accordance with the laws of the state of North Carolina. Buyer shall pay all of J & G Machinery's costs and expenses, including reasonable attorney's fee, of collecting any amount not paid when due hereunder and of otherwise enforcing the terms and conditions of this contract.