

ENTECCO FILTER TECHNOLOGY INC.
GENERAL TERMS AND CONDITIONS OF SALE

1. Governing Effect and Acceptance. These terms and conditions of sale shall govern all sales of goods and services by ENTECCO Filter Technology Inc. ("Seller") together with any applicable drawings, specifications, descriptions, proposals and other documents attached hereto and/or incorporated herein by reference. Seller's sale of any goods or services to Buyer are expressly conditioned upon Buyer's assent to these terms and conditions. Any other terms and conditions, including terms and conditions typed or printed on any purchase order from Buyer, that conflict with these general terms and conditions of sale are rejected by Seller. Seller's proposal is only preliminary unless it is otherwise confirmed by Seller's express assent thereto, such as in the form of Seller's written order acknowledgement, signed by a duly authorized officer or agent of Seller.

2. Prices and Payment. All prices are FOB INCOTERMS from Seller's U.S. shipping point to Buyer or upon release to the U.S. carrier from the U.S. port of entry. Crating is charged separately. In the event Seller must import any product, the quoted price also includes shipping to U.S. port of entry, customs clearance, customs duties and port handling fees (if any). Buyer shall insure the goods upon delivery to the carrier from the U.S. shipping point, and thereafter Buyer assumes risk of loss during transport and delivery to Buyer.

Payment shall be made as follows:

a) Service calls, repairs, etc. will be C.O.D.

b) Purchase orders for installations, equipment and/or spare parts are payable as follows:

- 30% deposit with Purchase Order
- 70% prior to shipment

Payment is due upon receipt of electronic invoice to Buyer. Interest of 1.5% will be charged for any month or part of a month for which any payment is not made on a timely basis. Buyer may not make any deduction from any payment without the Seller's prior written agreement.

3. Shipping Schedule and Delivery. Any shipping schedule or proposed delivery date is strictly an approximation, and dependent upon Buyer's performance of its contractual obligations, including, but not limited to, Buyer's payment obligations. Seller reserves the right to ship in advance of any of Buyer's requested dates, and Seller also reserves the right to make delivery in lots. Should shipment be held beyond scheduled date for the convenience of the Buyer, then in addition to any other rights or remedies specified herein, the Seller reserves the right to bill immediately for the goods and to charge Buyer for warehousing, insurance, transportation charges and all other expenses incident to or occasioned by such delay. Any delays by Buyer in furnishing necessary technical information, documentation, change orders or other revisions shall result in a corresponding postponement in the time allowed for delivery of the goods or services, for which Seller shall have the right to charge Buyer. No material changes to the order are permissible without the written consent of Seller after issuance of Seller's written order acknowledgement.

4. Force Majeure. Fire, flood, strikes, lockout, epidemic, terrorist incident, interruption of transportation or other causes beyond the reasonable control of Seller or Buyer which prevents or delays Seller from performance shall suspend delivery to Buyer during the period required to remove such cause.

5. Taxes and Import Duties. Seller's quoted prices include any applicable sales, excise or similar taxes and, if applicable, customs clearance and duty. If Seller is required to pay or collect any tax or fee upon the products included in this order or predicated upon, measured by or arising from the sale, transportation, delivery, use or consumption of said products whether directly or indirectly, not anticipated in Seller's written order acknowledgement, the prices to be paid by Buyer hereunder shall be increased by the amount of such tax or fee. Buyer agrees to pay such tax or fee as part of the purchase price.

6. Standard Products and Components. Seller is obligated only to supply Buyer with products and components from Seller's standard program pursuant to Seller's written order acknowledgement, unless Seller otherwise agrees in writing to provide specific non-standard products or components.

7. Permits and Authorizations. Any application and permits required for erection and installation of Seller's products shall be the sole responsibility of Buyer and shall be obtained by the Buyer. Buyer shall advise Seller with respect to product compliance with any applicable federal, state or local laws or recommendations of authorities, including, but not limited to, environmental, emission, energy consumption, fire protection, or structural design. Buyer shall be solely responsible for such compliance, and Seller shall incur no liability for such compliance. Any alteration or modification necessary to the building/foundation upon which Seller's products are erected is the sole responsibility of Buyer.

8. Installation. If Seller has agreed to install the product, Seller warrants that such installation will be performed in a workmanlike manner. Buyer shall pay all costs of installation, including the cost of any modifications to Buyer's plant and equipment which are necessary to accommodate Seller's product. SELLER SPECIFICALLY DOES NOT WARRANT THAT SUCH MODIFICATIONS WILL NOT BE NECESSARY.

9. Warranty; Limitations and Exclusions. Seller warrants that the products sold hereunder conform to any applicable drawings and specifications accepted in writing by Seller and will be free from defects in material and workmanship which become apparent under normal use, and of which Buyer gives written notice to Seller, within a period of twelve (12) months from the date of shipment to Buyer. If, within that period, the Seller receives from Buyer written notice of any alleged defect in or non-conformance of any product and if, in Seller's sole judgment, the product does not conform or is found to be defective in material or workmanship, then Buyer shall, at Seller's request, return the part or product, F.O.B. Seller's shipping point, and Seller, at its option and expenses, shall repair or replace the defective part or product. Dismounting and reinstallation of defective or non-conforming parts is done at Buyer's expense. Warranty for delivery of spare parts or replacement of non-conforming parts expires when warranty for original equipment expires. Seller's sole responsibility and Buyer's exclusive remedy hereunder shall be limited to such repair or replacement. THERE ARE NO OTHER WARRANTIES, EXPRESS, STATUTORY OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, QUALITY OR FITNESS FOR PARTICULAR PURPOSE, NOR ANY AFFIRMATION OF FACT OR REPRESENTATION WHICH EXTENDS BEYOND THE DESCRIPTION ON THE FACE HEREOF. The following warranty limitations and exclusions apply to this warranty:

- a) any defect not reported to Seller within the warranty period specified above;
- b) misapplication, abuse, improper installation or abnormal conditions of temperature, dirt or corrosive matter;
- c) failures due to operation, either intentional or otherwise, above rated capacities or due to

- operation in an otherwise improper manner;
- d) products which have been repaired or in any way tampered with or altered by anyone other than an authorized representative of Seller;
- e) products damaged in shipment or otherwise without fault of Seller;
- f) expenses incurred by Buyer in an attempt to repair or rework any alleged defective product;
- g) defects in material, workmanship or in operation which are attributable to drawings or specifications provided by Buyer; and
- (h) failure to maintain the product in accordance with Seller's written operating instructions.

10. Patent Indemnity; Limitations and Exclusions. Seller agrees that it will indemnify Buyer for all damages or costs resulting from any suit or demand alleging infringement of any patent relating to the products supplied by Seller, if Seller is notified promptly in writing of such suit or demand and Buyer gives Seller adequate authority, information and assistance for the defense of same. Seller shall have no obligation to assume defense of any such claim, but in the event that it does exercise such right, Seller at its own option and expense shall have the right to settle such suit or demand by procuring for the Buyer the right to continue using the product furnished by Seller. Alternatively, Seller may, at its expense, replace the product with a noninfringing product, or may modify same so that it becomes noninfringing, or Seller may remove the alleged infringing product and refund the purchase price. This indemnification clause shall not apply to an infringement resulting from any product or part thereof made to the Buyer's design or the design of which has been modified by the Buyer. Seller's sole responsibility and the Buyer's exclusive remedy for any such suit or demand shall be as set forth in this paragraph, and in no event shall Seller's liability under this paragraph exceed the purchase price paid by Buyer for the allegedly infringing product.

11. Limitation of Liability. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND; INCLUDING BUT NOT LIMITED TO, LOSS OF PROFIT, USE, PROPERTY DAMAGE, LOST PRODUCTION OR OTHERWISE.

12. Modification, Rescission and Waiver. This contract may not be modified, amended, rescinded or waived, except by a writing and signed by an authorized employee of Seller at its office.

13. Security Interest. Buyer hereby grants to Seller a security interest in the products being purchased hereunder and any proceeds therefrom, as security for payment of the full purchase price. Buyer agrees to execute financing statements and such other documents as the Seller may request to create and perfect this security interest. Buyer agrees not to remove the products from the jurisdiction in which they are initially installed without Seller's prior written consent, for so long as any portion of the purchase price remains unpaid.

14. Cancellation. Seller and Buyer recognize that due to the uniqueness of the systems ordered hereunder, the calculation of damages, including, but not limited to Seller's lost opportunity cost, which would result from cancellation or suspension of the contract would be difficult. Therefore, if Buyer cancels any order by verbally communicating such cancellation, or failing to meet the payment terms of the Agreement, or requesting on one or more occasion that Seller suspend Seller's performance of the contract (each individually constituting an "Event of Cancellation"), then in addition to the amounts then owed by Buyer pursuant to this Agreement, Buyer shall, within ten (10) days of the Event of Cancellation

pay to Seller the following cancellation charges based on the number of days prior to scheduled delivery that Event of Cancellation occurs:

DAYS PRIOR TO <u>SCHEDULED</u> DELIVERY	PERCENTAGE OF <u>LIST</u> PRICE
120-90	20%
90-61	50%
60-31	75%
30 or less	100%

15. Costs and Expenses. Buyer agrees to pay Seller all costs and expenses, including reasonable attorney's fees (including those on appeal), incurred by Seller in exercising any of its rights and remedies hereunder, including specifically the collection of any outstanding balance owed to Seller by Buyer.

16. Non-Waiver. Failure of Seller to insist in any one or more instances upon the performance of any of the terms and conditions of this contract or the failure of Seller to exercise any of its rights hereunder shall not be construed as a waiver or relinquishment of any such term, condition, or right hereunder and shall not affect Sellers' right to insist upon strict performance and compliance with regard to any unexecuted portions of this contract or future performance of these terms and conditions.

17. Governing Law. The rights and duties of the parties and construction and effect of all provisions hereof shall be governed by and construed according to the law of the State of Florida.

18. Arbitration. In the event of any dispute or claim arising between the parties hereto which the parties are unable to resolve, the party making the claim shall give written notice to the other party hereto describing the dispute and proposing that the CEOs of the parties shall meet in person or by telephone without undue delay to discuss and attempt to resolve the dispute. If the CEOs after good faith discussion of the matter are unable to agree upon a resolution thereof within fifteen (15) business days after written notice has been given by the aggrieved party, either party may initiate arbitration before a single arbitrator in Tampa, Florida, pursuant to the Commercial Arbitration Rules of the American Arbitration Association then in effect. The arbitrator shall have discretion to compel the parties to disclose documents and engage in such discovery as may assist the arbitrator to reach his ruling based on full knowledge of relevant facts. The ruling by the arbitrator shall be final and may be enforced by any court of competent jurisdiction. Each party accepts service of process by first class mail, certified or registered, to its principal place of business. The existence or results of any arbitration will be treated as confidential.

TERMS READ AND ACCEPTED:

DATE: _____

SIGNED: _____

COMPANY: _____