SALES CONDITION

1. CONTROLLING EFFECT OF THESE PROVISIONS.
   To the extent that this document acts as an offer to sell by the Edge-Sweets Company (ESCO herein), acceptance hereof is expressly limited to all terms and conditions herein. Any additional, different or inconsistent terms or conditions contained in any form of acknowledgement, acceptance, purchase order or confirmation shall be of no force or effect whatsoever, unless agreed to in a separate written instrument signed by both parties.

2. SECURITY AGREEMENT.
   In the event the purchase price for the equipment is not paid in cash or certified funds on or before the delivery date, ESCO shall retain title to the equipment and the equipment shall remain personal property until paid in full. The purchaser authorizes ESCO to execute and file any financing and continuation statements in its behalf that ESCO deems necessary to protect its interest in the collateral. In addition, purchaser agrees to do any other acts and deliver or cause to be delivered any other documents that ESCO may deem necessary or desirable to establish, maintain and protect the purchase money security interest, as a first perfected security interest. The purchaser agrees to maintain the equipment in good condition and repair to insure the equipment against risk of damage in reasonable amounts with a company satisfactory to ESCO, with ESCO as a named insured. The purchaser represents and warrants that the equipment will not be sold, transferred, assigned, or in any way encumbered, and purchaser will defend it against any person claiming an interest in the equipment adverse to the interest of ESCO.

   In the event the purchaser shall default in any payment owed to ESCO, ESCO shall have all the rights and remedies of a secured party under Michigan Uniform Commercial Code and any other applicable laws. In addition, on the occurrence of a default, ESCO may require purchaser to deliver the equipment at a place to be designated by ESCO. All rights and remedies of ESCO shall be cumulative and may be exercised from time to time. ESCO may take possession without notice, demand or judicial process and dispose of the equipment in any commercially reasonable manner. ESCO may apply the proceeds of any sale or other disposition of the equipment to the full or partial satisfaction of the expenses of ESCO in enforcing its rights hereunder, including reasonable attorneys’ fees, and the amount of the unpaid balance, including any contingent obligations in the manner, amounts and proportions that ESCO, in its sole discretion, shall determine unless otherwise required by the Michigan Uniform Commercial Code.

3. WARRANTIES AND LIMITATIONS.
   (a) Warranties. ESCO warrants to purchaser that the equipment manufactured by ESCO is free from defects in workmanship and material under normal use and service for a period of six (6) months from the date of shipment. This warranty expressly excludes blades and/or preventable maintenance parts required for normal operation. For purposes of this warranty, normal use does not include use or service with corrosive or abrasive chemicals or materials. This warranty shall not apply if any of the following occur:

   (i) Installation or start-up not performed under ESCO’s supervision or under ESCO’s approved methods;
   (ii) Work done or materials furnished by others in connection with erection without supervision of ESCO;
   (iii) Work done or materials furnished by others in lieu of the requirements specified by ESCO; or
   (iv) Equipment repaired or altered by others, unless such repairs were specifically agreed to in writing by an ESCO officer.

   If a defect occurs within the six (6) month warranty period, purchaser is required to give ESCO written notice specifying the particular defect or defects. ESCO shall determine, in its sole discretion, if the workmanship or material was defective prior to installation. If such a determination is made, ESCO will correct, without charge, any workmanship defects and will repair or replace, without charge, ex. works ESCO’s factory parts which are to be found defective under normal use. All work of removal and re-installation or installation of parts, whether or not found defective, along with shipping charges for defective or replacement parts, shall be the responsibility of the purchaser.

   (b) Limitations of Liability and Warranty.
   (i) The Liability, if any, of ESCO or its agents, representatives and employees regarding the equipment and all matters set forth herein, for any claims, costs damages, losses and expenses for which they are, or may be, legally liable, whether arising in negligence or other tort, contract, or otherwise shall not exceed in the aggregate the purchase price for the Equipment. IN NO EVENT SHALL ESCO, ITS AGENTS, REPRESENTATIVES OR EMPLOYEES, BE LIABLE FOR INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES.

   (ii) THE FOREGOING WARRANTY IS EXCLUSIVE AND IS IN LIEU OF ALL OTHER EXPRESS AND IMPLIED WARRANTIES. SPECIFICALLY, ESCO MAKES NO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

4. INSTALLATION AND START-UP.
   Anytime ESCO’s representatives oversee or carry out the installation and start-up of the equipment purchased hereunder, the cost of such installation and start-up will be at the purchaser’s expense. Labor costs for installation and start-up are based on a normal eight (8) hour day with no Saturday, Sunday or Holiday work included. All overtime shall be paid purchase as any extra cost, provide and pay for all necessary installation permits, public inspections, pollution control approvals, licenses and the like, required for installation of the equipment. The purchaser shall provide, without cost to ESCO,
adequate storage facilities, all construction services and facilities required for installation and start-up. Purchaser shall provide unobstructed access to the job site, security for tools, equipment, supplies and machinery.

5. CHANGES.
If purchaser requests changes in designs or specifications of machinery or equipment on order, or for any reason requires a stop in progress, ESCO’s cost of complying with purchaser’s request shall be borne by purchaser. ESCO may, without change orders or buyer’s consent, make minor changes and corrections in the detailed specifications in order to correct defects or improve the product.

6. SHIPMENTS, PACKING AND DELAYS.
In the event shipping instructions are not received from the purchaser on or before the shipping date, ESCO may ship the equipment to the purchaser’s place of business by such means as ESCO shall determine.

The equipment shall be shipped ex works ESCO’s place of business. As such, the risk of loss passes to the purchaser when the equipment is delivered to the carrier, shipper forwarding agent, or transporter.

All shipping dates are approximations only and represent the day on which the equipment will likely be shipped. ESCO will use its best efforts to meet such dates, however ESCO offers no guarantee. Purchaser agrees to hold ESCO harmless for any loss, damage or delay resulting from failure to ship on the specified date.

7. CANCELLATION CHARGE.
In the event purchaser cancels the order at any time after confirmation, purchaser shall pay ESCO a cancellation charge which shall be greater than 25% of the purchase price or an amount that bears the same ratio to the full purchase price as the percentage of work completed at the time of cancellation bears 100% of the purchase price. If any sums are owing ESCO in excess of the down payment, they are payable net thirty (30) days.

8. INSPECTION.
Purchaser agrees to thoroughly inspect shipment as soon as it is received. If any loss or damage is discovered, purchaser must notify carrier’s agent at once. Report of inspection to carrier’s agent is the responsibility of purchaser on all shipments. If carrier will not make the inspection, the purchaser must make an affidavit to that effect. ESCO will not be responsible for loss of damage when the carrier is given a clear receipt. ESCO will file a claim with carrier only on prepaid destination shipments, but the inspection report must be completed at destination by purchaser and forwarded to ESCO within five (5) days. Purchaser must notify ESCO within five (5) days of any shipment error as to kind, quantity, or quality. All other claims for loss and damage in transit must be made by purchaser to the carrier but ESCO will assist insofar as practical in securing satisfactory adjustment of such claims. Claims for shortages, damages, or other errors must be made in writing within thirty (30) days after receipt of shipment and failure to give such notice shall constitute unqualified acceptance of goods and a waiver of such claims by purchaser.

9. UNLOADING AND STORAGE OF MATERIALS
The purchaser shall, at its own expense, unload all equipment and material delivered by ESCO and store the equipment and material at a point of installation. The purchaser shall provide extended coverage insurance for such materials and equipment naming ESCO additional insured. Equipment and materials shall not be shipped from point of original destination until all invoices are paid in full.

10. PATENTS.
Purchaser shall indemnify ESCO against and hold them harmless from all demands, claims, suit, liabilities, damages, judgments, costs, and expenses from any alleged infringement of any United States patent with respect to any apparatus or equipment engineered, developed, constructed, sold or used in accordance with purchaser’s design or recommendations, including, but not limited to any devices or part that is specified by purchaser.

11. SAFETY DEVICES AND OSHA.
ESCO has used its best efforts to construct the products to be furnished hereunder to comply with the Occupational Safety and Health Act (OSHA) and other applicable federal statues, regulations and standards at the local level, ESCO does not warrant that the machine meets the requirements.

12. TAXES AND INSURANCE.
Purchaser shall be required to pay off any and all taxes imposed with respect to the purchase, installation, operation and/or use of the equipment. Such taxes shall include, but not limited to: sales, excise, use, property, license, permits, fees and duties.

Purchaser shall be responsible for obtaining insurance on the equipment while in possession of the carrier. Further purchaser agrees to indemnify and hold harmless ESCO against any loss due to gross negligence, explosion, fire, action of the elements and conditions on purchaser’s premises.

13. ARBITRATION.
Any controversy or claim arising out of, or relating to this order, or the breach thereof, shall be settled by arbitration, in accordance with the rules then obtaining, of the American Arbitration Association in Grand Rapids, Michigan, and judgment upon the award rendered may be entered in any court having appropriate jurisdiction. Any dispute shall be governed by and decided in accordance with the laws of the State of Michigan. No action, regardless of form, may be brought by purchaser more than one year after the date the product was shipped.

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