




1. Sale of Equipment: Equipment provided by REM Surface Engineering (SELLER) to Buyer covered by this Invoice is sold subject to the terms and conditions contained herein. Acceptance of or payment for the Equipment by Buyer shall constitute acceptance by the Buyer of the terms and conditions hereof. The terms and conditions set forth herein shall constitute the contract between the Parties, and any additional or contrary provisions contained in Buyer's purchase order or any other document including, but not limited to, shipping documents, shall not be part of this contract. To the extent that this document represents a quotation by SELLER, the price and terms set forth herein shall remain outstanding for a period of sixty (60) days after the date first delivered to Buyer unless Buyer shall acknowledge its contract to such terms by signing such quotation and returning the same to SELLER within such sixty (60) day period; provided, however, that all quotations and orders are subject to final written acceptance by SELLER at its offices from which the Equipment is shipped, either Brenham, Texas, or Southington, Connecticut, USA.

2. Price and Terms of Payment: Sale is made at the price in effect at the time of shipment F.O.B. point of shipment. All payments shall be made in U.S. dollars. Standard payment terms are: 30 percent of the total value of the order is due with purchase order to SELLER; 60 percent is due upon shipment F.O.B.; and 10 percent is due within 30 days of shipment, unless otherwise set forth on the quotation or invoice. On accounts not paid within the terms set forth on this invoice, interest will be collected at the rate of 1.5% per month on the unpaid balance, beginning on the date on which payment is due, but not to exceed the maximum amount permitted by law. If Buyer shall fail to pay any amount when due, SELLER may, at its option, without prejudice to other lawful remedies, suspend further shipments and deliveries of Equipment under this contract, and no forbearance, course of dealings or prior payments shall effect this right of SELLER. If at any time Buyer's financial responsibility becomes impaired or in SELLER's opinion inadequate to meet its obligations hereunder, SELLER may change or withdraw the terms of credit and if withdrawn require cash or satisfactory security before making shipment of Equipment under this contract. Buyer shall pay reasonable expenses incurred by SELLER for collection from Buyer of money due and unpaid, including reasonable attorneys' fees. In that this invoice evidences a commercial transaction, as defined in Connecticut General Statutes 52-278(a), Buyer does hereby waive notice and hearing under Section 52-278(a) through (g), inclusive, of the Connecticut General Statutes or any similar statute relating to any writ for prejudgment remedy prepared by SELLER.

3. Freight: Terms are F.O.B. place of shipment, unless otherwise agreed to by SELLER in writing. SELLER assumes no responsibility or liability for loss of, damage to, or consequences from loss or damage to the Equipment after delivery to the carrier, who shall be deemed to be Buyer's agent, and the shipment, shall, therefore, be at Buyer's risk. Shipments are made by the least expensive method unless otherwise expressly specified and are routed at SELLER's discretion. All shipping costs are borne by Buyer.

4. Title: Title to the Equipment and risk of loss or damage shall pass to the Buyer F.O.B. point of shipment. Buyer grants SELLER a security interest in all Equipment purchased or hereafter purchased from SELLER to secure payment of the purchase price. The Buyer shall not sell the Equipment without the written consent of SELLER. The security interest shall attach to the proceeds of the Equipment. The Buyer agrees to do all acts necessary to maintain the Equipment subject to the security interest and to protect SELLER's interest from loss by adequately insuring the Equipment against loss or damage from any external cause with SELLER being named as an additional insured or coinsured. Buyer hereby authorizes SELLER and appoints SELLER as its attorney-in-fact to prepare and file in all appropriate jurisdictions UCC-1 Financing Statements naming Buyer as Debtor and SELLER as Secured Party, describing the collateral and otherwise in form determined by Buyer to be appropriate and in compliance with Article 9 of the Uniform Commercial Code.

5. Default: If the Buyer fails to pay the purchase price or defaults on its obligations under the preceding paragraph, SELLER may immediately and without notice to the Buyer, take possession of the collateral and dispose of same as provided by law, with or without judicial process. The Buyer authorizes SELLER to dispose of collateral, either by public or private sale, in such a manner as is commercially reasonable. With respect to any accounts or contract rights, which represent the proceeds from the sale of


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Equipment, the Buyer authorizes its account or contract debtors to pay amounts due directly to SELLER. The Buyer shall be liable to SELLER for all expenses incurred to take possession of collateral including any action in any bankruptcy proceedings. The term “expenses” shall include reasonable attorney fees and reasonable costs of litigation.

6. Containers: Equipment shall be placed and shipped in suitable containers, the nature of which shall be determined by SELLER. No charge will be made for packing or casing any Equipment shipped in SELLER specified containers for domestic truck shipment. Where special containers are required or other than standard packing are necessary including, but not limited to, international shipment or shipment other than by truck, the expenses involved will be charged to Buyer. Returnable containers are the property of SELLER. Buyer shall be liable to SELLER for any damage to returnable containers. In no event shall returnable containers be sent back to SELLER freight collect without written permission of SELLER.

7. Delivery: Estimates of delivery are made by SELLER in good faith but not guaranteed. Every effort will be made to fill orders within the time promised but under no circumstances will SELLER assume the responsibility for any damages arising out of or attributable to any delays whatever. Unless otherwise expressly agreed in writing, SELLER shall have the right to make shipments in installments, and each installment may be separately invoiced and shall be paid as billed without regard to subsequent shipments. If Buyer delays shipment, the date of readiness for shipment shall be deemed to be the date of shipment for payment purposes, provided that if shipment is not authorized or having been authorized is not accepted, the Equipment will be stored at the Buyer’s risk and expense. Buyer will under any circumstances be responsible for payment for such Equipment in accordance with the terms and conditions set forth herein. If Buyer delays manufacture of the Equipment, payment shall be made based upon the purchase price of the entire order of Equipment and the percentage of completion thereof, with the balance due in accordance with the terms as stated herein. In the event of the cancellation of the order by Buyer for reasons other than as otherwise set forth herein, Buyer shall pay SELLER a cancellation charge based upon the percentage of completion as determined by SELLER, but in no event will the cancellation charge be less than 10% of the selling price of the Equipment ordered hereunder. Delay in shipment of any installment or failure to ship any installment shall not relieve Buyer of its obligation to accept remaining installments, except where otherwise expressly agreed to in writing. Buyer’s failure to pay for any installment as and when due shall excuse SELLER from further production and delivery and all other duties arising out of this contract. In the event of any default by Buyer, SELLER may decline to make further shipments without in any way affecting its rights under this contract. If SELLER elects to continue to make shipments, despite any default by Buyer, SELLER’s action shall not constitute a waiver of any default by Buyer or in any way affect SELLER’s legal remedies for such default. SELLER shall not be held responsible for any delay or failure to perform its obligations hereunder in whole or in part due directly or indirectly, without limitation, to war, epidemics, flood, acts of God, accidents, shortage of transportation, blockades, embargoes, federal, state, municipal or any other governmental action or regulation, strikes or other labor troubles, fire, damage to or destruction in whole or in part of the Equipment or manufacturing plant, lack of or inability to obtain materials, labor, fuel or supplies, restraining orders or injunctions of any court or judge or any other causes, contingencies or circumstances within or without the United States not subject to its control which prevent or substantially hinder the manufacture, shipment or delivery of the Equipment, any of which shall, without liability, excuse SELLER from further performance of this contract or, at its election, extend the time of performance by the time or times measured by any such cause or causes of delay. In any event, if any shipment shall be delayed three or more months because of any of the aforesaid causes, either party shall have the right by written notice to the other to cancel the unshipped portion of the order, and the balance, if any, of this contract, and, in such event, neither party shall be liable to the other for any losses or damages arising out of such cancellation. In the event of inability to supply the total demand for the Equipment as provided in this contract, SELLER may allocate its available supply among any or all Buyers on such basis as it may deem fair and practical without liability for any failure of performance which may result therefrom.

8. Additions to Price: In addition to the prices quoted, all applicable county, state or federal taxes or other taxes or duties shall be paid and borne by Buyer, and Buyer shall reimburse SELLER in the event that SELLER is required to pay the

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same by any taxing authority. Where Buyer requires tests or inspection not regularly provided by SELLER, SELLER will charge Buyer for the actual costs for such tests or inspections unless otherwise specified.

9. Drawings and Specifications: In the event that drawings are sent to the Buyer for approval after the order is placed, the drawings must be returned marked “Approved” or “Approval as Noted” within ten (10) working days after receipt unless otherwise noted. In the event the Buyer’s written comments are not given within the ten (10) day period, the drawings shall be deemed approved by the Buyer.

10. Confidential Information: Buyer will keep confidential and will not use or reproduce any Confidential or Proprietary information received from SELLER for the use, operation, or maintenance of the Equipment, except with the written consent of SELLER. Buyer will not copy or otherwise reproduce any written or printed material or drawings furnished to Buyer by SELLER in connection with the Equipment covered by this contract except with written permission of the SELLER. Buyer will return all such material to SELLER if this contract is not accepted. Buyer will not copy or reverse engineer the Equipment or make any design drawings of the Equipment. SELLER shall have a royalty-free license to make, use and sell any changes or improvements in the Equipment invented or suggested by Buyer or its employees.

11. Guarantee: All equipment or parts covered by this contract are guaranteed to be free from defective material and workmanship, under normal use and service for a period of twelve (12) months from delivery or 2000 hours, whichever comes first. This guarantee does not cover failure of normal wear parts unless the failure of such part has resulted from defective material or workmanship. In the event of any such defects developing within the stated period under normal and proper use, SELLER is to be notified promptly in writing, and if accounts are fully paid, then at SELLER’s option the Equipment shall either be returned promptly to SELLER, F.O.B. SELLER’s factory from which the Equipment was shipped or the Equipment will either be repaired or replaced without charge. In the case of components purchased by SELLER and incorporated into the Equipment, SELLER’s guarantee is limited to the component manufacturer’s warrantee. SELLER does not accept liability for any corrective or other work or expenditures of any kind that have not been authorized by SELLER in writing prior to the commencement of such work or prior to committing to such expenditures, without exception. Service calls, when requested will be at the expense of the Buyer, unless otherwise agreed upon.

12. DISCLAIMER OF IMPLIED WARRANTIES: THE FOREGOING GUARANTEE IS EXCLUSIVE AND IN LIEU OF ALL OTHER GUARANTEES AND WARRANTIES OF QUALITY, WRITTEN, ORAL, OR IMPLIED. ALL OTHER WARRANTIES INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE ARE HEREBY DISCLAIMED. SELLER SHALL NOT BE HELD LIABLE FOR ANY FURTHER COST, EXPENSE, OR LABOR TO REPLACE EQUIPMENT OR REPLACEMENT PARTS, OR INDIRECT OR CONSEQUENTIAL DAMAGES. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY BREACH OF WARRANTY IN AN AMOUNT EXCEEDING THE PURCHASE PRICE OF THE EQUIPMENT SPECIFIED HEREIN. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF SELLER’S BREACH OF ANY PROVISIONS HEREOF OR NEGLIGENCE INCLUDING, BUT NOT LIMITED TO, ANY LOSS OF PROFITS OR PRODUCTION BY BUYER, LOSS OF USE OF THE EQUIPMENT OR ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF SUBSTITUTE FACILITIES OR SERVICES, DOWN TIME OR CLAIMS OF CUSTOMERS OF BUYER FOR SUCH DAMAGES.

BUYER ASSUMES ALL RISKS AND AGREES TO INDEMNIFY AND HOLD SELLER HARMLESS AGAINST ALL CLAIMS AND LIABILITY (INCLUDING LIABILITY BASED ON A CLAIM THAT SELLER IS NEGLIGENT) ARISING AS A RESULT OF USE OF THE EQUIPMENT SUPPLIED UNDER THE TERMS OF THIS CONTRACT.

13. Assumption of Risk: BUYER REPRESENTS THAT IT IS FAMILIAR WITH AND EXPERIENCED IN THE NATURE AND USE OF THE EQUIPMENT DESCRIBED IN THIS CONTRACT; AND ACKNOWLEDGES THAT THE SAME REQUIRES SPECIAL CARE AND HANDLING. BUYER ASSUMES ALL RESPONSIBILITY RESULTING FROM OR IN ANY WAY CONNECTED WITH THE POSSESSION, TRANSPORTATION, HANDLING OR USE OF THE EQUIPMENT SOLD HEREUNDER, EITHER SINGLY OR IN COMBINATION WITH OTHER PRODUCTS OR EQUIPMENT.



14. Indemnification: Buyer shall indemnify, defend and hold harmless the Seller and its employees and any independent contractor engaged by the Seller from and against all losses, expenses, damages and costs, including reasonable attorney fees, resulting from any claim or action brought by a third party arising from Buyer's use of the Equipment or from the Buyer's failure to perform its obligations to its own customers pursuant to any agreement it might have with such customers.

15. Consequential Damages: IN NO EVENT SHALL SELLER BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES RESULTING FROM DELAY IN OR FAILURE OR INADEQUACY OF PERFORMANCE ASSOCIATED WITH THE EQUIPMENT.

16. Governmental Laws and Regulations:

1. SELLER believes that the Equipment and design complies with most Governmental laws and regulations and Industrial Practices; however, SELLER cannot accept responsibility for any State, City or Local laws not specifically brought to SELLER's attention prior to acceptance of this contract and copies of which are attached hereto.

2. Regarding OSHA Compliance:

a. SELLER will be held liable only for those OSHA standards which are in effect as of this date and to the extent that they are applicable to the performance by SELLER of its obligations under this contract.

b. SELLER can be held liable only for the physical characteristics of the Equipment.


17. Restrictions Imposed by United States Export Control Laws: Buyer agrees that it will comply fully with the export control laws and regulations of the government of the USA with respect to the disposition of the Equipment purchased hereunder and the commercial and technical data and information and other publications supplied by SELLER. Without limiting the foregoing, the Buyer will not export, re-export, sell or transfer, directly or indirectly, any of the Equipment or technical information or data related thereto (i) to any country, person or entity to which the U.S. Government or any agency thereof prohibits such export, re-export, sale or transfer, or (ii) to any country for which the U.S. Government or any agency thereof requires an export license or other governmental approval, without first obtaining such license or approval.

18. Modification and Termination; Invalid or Unenforceable Provision: This contract shall not be modified or terminated, and no modification, termination or waiver of the standard terms and conditions set forth herein shall be valid unless expressly agreed to in writing. In the event that any of the provisions of this contract shall be held by a court or other tribunal of competent jurisdiction to be illegal, invalid or unenforceable, such provisions shall be limited or eliminated to the minimum extent necessary so that this contract shall otherwise remain in full force and effect. No waiver of any default hereunder shall be deemed a waiver of the obligation of future compliance, and any provision waived shall remain in full force and effect.

19. Dispute Resolution

(i) Arbitration: If any dispute or disagreement arises between the Seller and the Buyer with reference to the interpretation of any of the terms or conditions of the Equipment or of any matter arising out of or from the contract between the Buyer and Seller relating to the Equipment covered under such contract, except with respect to the nonpayment of the invoice price by Buyer, or breach or threatened breach of the Confidentiality provisions set forth in paragraph 10 hereof, at the election of the Seller, the matter shall be referred to the American Arbitration Association in Hartford, Connecticut, USA, for arbitration in accordance with its rules, and the decision of said association shall be final and binding upon both parties, and judgment upon any award thereon may be entered in any court having jurisdiction thereof. The arbitrators shall not have the authority to award exemplary, punitive or consequential damages to any party, and each party hereby irrevocably waives any right to claim any such damages. The expense of such arbitration shall be shared equally by Seller and Buyer.

(ii) Injunctive Relief: In the event that there shall occur a breach or threatened breach of the Confidentiality provisions set forth in paragraph 10 hereof, the Buyer acknowledges that Seller's Intellectual Property, processes and formulae are proprietary and critical to the business of Seller, and such breach or threatened breach would result in damages to Seller that would be difficult, if not impossible, to calculate. Therefore, Buyer agrees that in the event of

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such breach or threatened breach, Seller shall be entitled as a matter of right, to specific performance hereof or injunctive relief, by Temporary restraining order and Temporary and Permanent injunction or other appropriate equitable or judicial remedy, together with reasonable expenses of litigation, including attorneys fees incurred in connection therewith. The Seller and Buyer agree that venue for any action arising out of or relating to this contract will be in a state or federal court sitting within the State of Connecticut. Both the Seller and Buyer hereby consent and submit to the personal jurisdiction of said courts for that purpose and hereby specifically waive any other jurisdiction.

20. Connecticut Contract: This contract shall be governed by and according to the laws of the State of Connecticut. In the case of sales outside of the United States, the parties explicitly exclude the applicability of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

21. Notice: Any written notice or other communication to be given under this contract to SELLER shall be sent in English by facsimile transmission or e-mail and by mail, postage prepaid, to the following addresses:

REM Chemicals, Incorporated
 d/b/a REM Surface Engineering
 2107 Longwood Drive
 Brenham, TX 77833 USA
 Fax: (979) 277-0309
 e-mail: sales@remchem.com

REM Chemicals, Incorporated
 d/b/a REM Surface Engineering
 325 West Queen Street
 Southington, CT 06489 USA
 Fax: (860) 621-8822
 e-mail: sales@remchem.com

22. Force Majeure: Neither Party shall be in breach of this contract or otherwise be liable to the other by reason of any delay in performance or non-performance of any of its obligations hereunder to the extent that such delay or non-performance is due to any cause beyond the other Party's reasonable control.

23. Severability: If any provision of this contract shall be held to be contrary to law, such provision shall be changed and interpreted so as to best accomplish the objectives of the original provision to the fullest extent allowed by law, and the remaining provisions of this contract shall remain in full force and effect.

24. Assignment: Buyer shall not assign, transfer or delegate this contract or any rights or obligations hereunder. Any assignment, transfer or delegation in contravention of the foregoing provision shall be null and void. Buyer agrees that this contract may be assigned by Seller, in Seller's sole discretion.

25. Non-Solicitation: The Buyer agrees that while this contract is in force and for a period of twelve (12) months thereafter, they shall not directly or indirectly solicit or offer employment to any of the other's officers, employees, third party contractors and associates who have been involved in or associated with this contract without the other's prior written consent.