

GENERAL TERMS AND CONDITIONS OF SALE

Warranty: PRECO Inc. warrants that the product covered by this quotation will be free from defects in material and workmanship for a period of (3)years following the date of shipment from PRECO's plant. Purchased components however, are warranted for the period specified by the original manufacturer. PRECO's sole liability under the warranty will be the repair or replacement of the warranted item exclusive of installation cost. PRECO Inc. will have no obligation with respect to any item that is not used or maintained in a normal and proper manner or under recommended conditions or are modified, altered or repaired without PRECO's agreement.

Delivery: Deliveries are based on our present backlog of work. Shipment time frame begins after receipt of a purchase order, and full manufacturing information in our plant. Final delivery date will be determined at the time the purchase order is received. The delivery schedule is based on the current proposal and current back-log of work. Any Customer requested Change Orders may affect that schedule. In no event shall PRECO Inc. be liable for special damages arising out of delay or failure to deliver due to Customer Change Orders, acts of God, or other abnormal manufacturing conditions.

Quotation: All quotations are valid for a period of 60 days unless otherwise specified.

Prices: All prices listed are F.O.B. PRECO Inc., Omaha NE, unless otherwise stated. Prices quoted do not include any applicable sales, use, transfer or excise taxes.

Installation: Unless otherwise specified, all installation costs are the responsibility of the Customer.

Cancellation: Orders placed for equipment covered by PRECO's quotation are not subject to cancellation or modification, in whole or in part, after Customer's acceptance, except with PRECO's express written consent and upon payment of a cancellation charge which will cover all costs incurred by PRECO Inc.

Indemnification: Buyer will defend, indemnify and hold harmless PRECO Inc. and its agents from any claims, damages or expenses, including reasonable attorney's fees, arising or alleged to arise, from (1) any asserted deficiencies or defects in the goods caused by an alteration thereof, with or without PRECO's consent made by Buyer, or improper handling or storage by Buyer, (2) the breach of any terms or conditions stated herein, or (3) the act or omission of Buyer, irrespective of whether such claim, damage or expense is asserted under a strict or other product liability theory or any other legal theory

Change Orders: Analysis recommendations, revisions or specification changes by PRECO Inc. or Customer will only be made with documented Change Order Requests approved by the Customer. All approved Change Orders Requests will require a Purchase Order or an amendment to the originally issued Purchase Order.

Payment: The terms of payment are 30 days from the date of shipment from PRECO Inc.

Taxes: For all shipments outside the states of Nebraska, Iowa, and Kansas taxes are the responsibility of the Buyer.