



TERMS & CONDITIONS

The following Terms & Conditions of services become a part of the attached proposal or a part of the acknowledgment of the Customer's order and have precedent over any other outstanding contract.

Any deviation from the following terms and conditions must be agreed to in writing by both parties before any order is processed.

These terms and conditions of services are to be made between SurClean Inc. ("Company") of 7974 Lochlin Drive, Ste. B1, Brighton, MI 48116 and the receiving party considering use of Company products/services, ("Customer")

Company is prepared to perform the required services pursuant to the terms and conditions set forth in this Agreement and Exhibits. In consideration of the foregoing and the mutual promises contained herein, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

DEFINITIONS:

- (a) **Company** means SurClean Inc., of 7974 Lochlin Drive, Ste B1, Brighton, MI 48116
- (b) **Customer** means buyer of products/services of Company.
- (c) **Services** means tangible products, machinery, parts as well as repair, maintenance and software services purchased by Customer from Company.
- (d) **Customer Information** means all information provided by buyer to Company in accordance with this proposal or other agreements and any information obtained or created by Company in providing the Services, including, but not limited to any information found in any Report provided to Customer
- (e) **Proposal** means all information provided by Company for Customer consideration.
- (f) **Schedule** means the detailed description of Products/Services to be performed by Company including delivery dates, and specifications as more fully described in Exhibits.

PRICES:

- 1. F.O.B. origin from Company's primary place of business (currently located in Brighton, Michigan).
- 2. Prices are subject to change without notice and may be withdrawn at any time by Customer prior to the acceptance of Customer order. In any event, prices quoted become invalid thirty (30) days from the date of Company's proposal.
- 3. Prices quoted do not include any excise, use, or transportation taxes of any taxing authority. If not included in the invoice for the equipment, any applicable such taxes may be invoiced at a later date.

CANCELLATION:

- 1. The Customer may terminate the purchase order contract after executed to the Company only with written consent of the Company. This consent can only be given by an officer of the Company.
- 2. Cancellation charges, if any, will be promptly invoiced by the Company and the Customer must pay the same, or it will void any prior agreement by Company, with the Customer, to cancel.
- 3. In the event of a request to stop work or to cancel any part of the order, liquidated damages will be billed and paid for as follows:
 - A. Any work scheduled for completion within thirty (30) days will be paid for in full and shipment of the equipment will be accepted.



- B. All work in process and any raw materials of supplies used, or for which commitments have been made by Company in connection with the order(s) involved, will be paid for on the basis of Company's full costs, plus 25%.

DELIVERY:

1. F.O.B. origin from Company's primary place of business (currently located in Brighton, Michigan), unless otherwise agreed to in writing.
2. The delivery is predicated on prior order commitments, at time of quote, receipt of the written order, and complete information from the Customer, as requested by the Company.
3. The delivery is subject to unavoidable delays and Company shall not be held responsible nor accept any liability of penalty for a delay in shipment because of strikes, fire, accident, explosion or an act of God, 3rd Party supplier delays, or because of any priority system established by the United States Government, any of its agents, or any other authority having jurisdiction. (Any applicable priority rating must be clearly indicated on each purchase order.)

RE-NEGOTIATION:

1. Company will only agree to any re-negotiation when or if it should prove to be necessary and to the extent and in the manner required by Federal Law. All quotes are based on Company Equipment Standards, unless a Customer machine equipment standard has been issued to Company.
2. If no machine equipment standard was issued previous to the purchase order, the Customer will then be responsible for any expenses incurred to Company for any equipment variation.

TERMS OF PAYMENT - FINAL PAYMENT:

1. Unless otherwise specified, payment terms are net thirty (30) days from the date of shipment. Any amounts not paid within the thirty (30) days shall be charged a handling fee of three percent (3%) for each month (or portion thereof) any such payment is late.
2. On all orders over \$20,000.00, progress payments may be requested and negotiated. The account receivables must be current before shipment of the equipment will be authorized.
3. In the event the Company incurs any expenses in collecting sums due (including, but not limited to, reasonable attorney fees, court costs, expert fees, collection agency fees, travel costs, bonds, or otherwise) all such expenses will be paid by Customer to Company upon demand and shall be secured by all other terms and conditions hereof.

GOVERNING LAW AND DISPUTE RESOLUTION:

In the event Company must bring legal action to enforce collection of any amounts owed to it, Customer consents that such legal action may be brought in the appropriate court of Livingston County, Michigan and the Customer consents to the jurisdiction of said court and venue therein. For all purposes hereunder, this Agreement shall be construed under the laws of the State of Michigan.

SECURITY INTEREST:

Customer agrees that until full and final payment is made, Company, is granted and retains a security interest in the machine(s) or equipment in an amount equal to payments owed and Customer further agrees and consents that should payments not be made in accordance with these Terms and Conditions of Company or the schedule of payments agreed to by Customer in any subsequent Release to Ship, that Company, is authorized to file any and all appropriate UCC Financing Statements or Documents necessary to perfect its Security Interest in the machine(s) or equipment.

**JIC, NEMA, & OSHA COMPLIANCE:**

All Company products are designed to meet or exceed the standards of the Regulatory Agencies. Provisions are made and no product can be released for shipment unless it complies with the standards specified and as Company interprets them to be required. To do otherwise will require a letter from the Customer stating they will accept full responsibility for non-compliance, as a result of a difference in interpretation of these rules. This letter must be signed by an officer of said Customer.

TITLE:

Title of ownership is deemed when Company is paid in full. Any damage claims or risks will be assumed by the Customer when installation sign off is completed.

SERVICE & INSTALLATION:

All service work on standard and special machines, not covered by the warranty start-up agreement, or after warranty period has expired, shall be charged for at the prevailing rate outlined above under "Standard additional on-site assistance rates" plus all expenses, transportation, material, and parts used.

ENGINEERING CHANGES:

On special or Customer customized machines, Company reserves the right to make changes deemed justified by Company's engineering department. Any change conflicting with Customer specifications will be approved between the parties involved before it is done. All charges due to a change in the Customer's specification by the Customer will be negotiated and a price resulting in a supplemental purchase order will be approved before proceeding any further on the project.

DETAILED DRAWINGS:

Nothing in Company's proposal shall be interpreted as an understanding or agreement that detailed or shop working drawings will be furnished on any part of the equipment offered. Any deviation of this rule must be negotiated and agreed upon by both parties prior to the receipt of an order.

RIGHTS RESERVED:

Company reserves the right to use photographs of any and all equipment Company manufactures or services for advertising purposes, unless agreed to otherwise.

TESTING:

All materials or parts necessary for testing the machine(s) at Company's facility will be furnished by the Customer, without cost to Company. The materials and parts must be to print tolerance and of the grade specified. If quantity-of -pieces are to run over an amount deemed reasonable, an extra charge will be submitted and approval received before proceeding. Any special test equipment required to meet a specific specification not covered under JIC, UL, NEMA, CSA, etc., must be furnished or the rental paid in addition to the quoted price of the machine order.

BUYOFF:

A Preliminary buyoff including safety, maintenance, and engineering, will be conducted at Company's primary facility located in Brighton, Michigan. This buyoff is not to exceed 10 working days past the time the Customer has been notified that the said machine(s) is ready for Preliminary buyoff.



If in fact the Preliminary buyoff does exceed the 10 working days, due to Customer delays, the Customer will be notified that any money that may be due under Preliminary buyoff on the submitted contract will be owed to Company no later than 30 days from the notification date. Any amounts not paid within the thirty (30) days shall be charged a handling fee of three percent (3%) each month (or portion thereof) any such payment is late.

The said machine(s) will be released for shipment after receipt of preliminary payment and signed release to ship form is received. The Customer may also be charged a storage fee on any equipment that remains at Company facility(s) past the 10 working days, that would equal \$5.00 per square foot of floor space the equipment occupies, (this includes a reasonable amount of space required around the machine needed to operate it), to be charged per day, and paid before removal of equipment.

In this event:

1. All modifications will be discussed.
2. The machine will meet all Customer expectations before shipment.
3. The final buyoff will be conducted on the Customer’s floor.
4. Any machine modifications requested on the Customer floor will be charged at the rate of \$275.00/HR.

STANDARD ADDITIONAL ON-SITE ASSISTANCE RATES:

Company’s standard services are provided on an eight-hour shift, one shift per day, first shift basis, with work taking place five days per week (Monday through Friday 8:00 am –5:00 pm). A minimum of 4 hours will be charged per occurrence. The pricing schedule is as follows:

Standard Labor in house.....	\$150/HR
Standard Labor on site.....	\$190/HR
Standard Engineering Labor in house.....	\$200/HR
Standard Engineering Labor on site.....	\$275/HR
After 5:00 P.M. (Eastern Standard Time).....	1.5 X Standard Rate
Over 8 hours per day and Saturday.....	1.5 X Standard Rate
Over 8 hours on Saturday, Sunday & Holidays	2.0 X Standard Rate
CNC Programming.....	\$180.00/HR
Manuals in CD format.....	\$250.00 ea.
Manuals in paper format.....	\$500.00 ea.

Travel and living expenses for Company’s Field Installation Engineer will be charged at .60 cents/mile plus \$100.00/hr. Depending on distance, overnight accommodations may be charged as incurred on a cost plus 10% basis.

The length of time required for equipment installation is dependent upon the installation schedule of Customer, a properly sized and supervised labor force and adequate access to the work area with no production in process.