

Charlotte, November 8<sup>th</sup> 2018

Sales office:

Your reference: Drew McIntyre

# Order Confirmation NO.CFG18-5992-OC-01 For Sales Agreement Reference: 5992 Dated Sep. 7<sup>th</sup> 2018

between **Cefla North America** herein referred to as the "Seller"

and

### **MantelCraft**

4145 Parkway Dr Florence, AL 35630

herein referred to as the "Buyer"

### Layout no. 18005992/1

This order confirmation is exclusively subject to the pro-tempore effective General Terms and Condition of Sales of the Vendor, which are herewith considered as known, accepted and referred.



#### PRELIMINARY TECHNICAL DATA

#### ① SUBSTRATE SPECIFICATIONS

This equipment will provide the best quantity/quality results, if parts (workpieces) which are not suitable for processing are rejected prior to finishing.

Parts are generally considered suitable for finishing if they are free of bow, warp, twist, marks, splits and color variations. It is also assumed that such suitable and properly prepared parts have been cleaned prior to finishing.

•	maximum length	12	ft	
•	minimum length	3	ft	
•	maximum width	12	in	
•	minimum width	1/2	in	
•	maximum thickness	3	in	
•	minimum thickness	1/4	in	
•	max bow on substrates 5 to 19mm thick*	10 over 1000	in	(13/32" over 39")
•	working speed	30-200	f/min	
•	mechanical speed	30-200	f/min	
NC	TES: All equipment offered is made to metric state.	ndards. Dimensio	ns show	ın in Enalish measure

<u>NOTES:</u> All equipment offered is made to metric standards. Dimensions shown in English measure are approximate and for comparison purposes only.

2	<b>VOLTAGE</b>
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	_		14					
3	HE	ATING MED	NUIC					
		water	90	° C	temp.		overheated water	°C temp
		steam		° C	temp.		diathermic oil	°C temp
		pressure		bar (	absolute)			
	Flov	v control valv	es and	autom	natic thermo:	stats	are supplied.	

④ COMPRESSED AIR SUPPLY

60 H<sub>7</sub>

- pressure 6 bar max.
- ⑤ MACHINE COLOR
  - RAL 7035
- **©** LINE SERVICE SIDE
  - RIGHT LEFT X

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<sup>\*</sup> Testing by Cefla required to determine acceptability of any warpage or bow out of this thickness range. Calibrated part tolerance for Roll Coaters: +/- 0.7mm (0.027") Working Speed depends also on coatings used.



### WORKING CONDITIONS

Modular furniture Traditional furniture – Kitchen – Cabinet doors  Mouldings Parquet  DESCRIPTION OF ITEMS  Frame Flat panel Raised panel Raised moulding  MATERIAL DESCRIPTION  Solid wood MDF Veneered substrate  FINISHING  Stain Clear Pigmented Other  Stain Clear Pigmented Other  TRISHING  Stain Clear Pigmented Other  Stain Clear Pigmented Other  Waterborne  Windows  Other  Flat moulding Assembled furniture Irregular three-dimensional items Other  Paper coated Melamine coated Other  Semi-matt (30-40 gloss) Semi-gloss (60-70 gloss) Gloss (> 80 gloss)  TYPE OF STAINS/LACQUERS  Nitro Polyurethane Acid catalyzed Polyester UV Solvent-based stain Waterborne Waterborne JUV Polyacrylic UV Acid-cured UV waterborne Waterborne JUV Waterborne	PRODUCTION	
Parquet  DESCRIPTION OF ITEMS  Frame Flat panel Raised panel  Raised moulding  MATERIAL DESCRIPTION  X Solid wood MDF Veneered substrate  FINISHING  Stain Clear Pigmented Other  Matt (< 25 gloss) Clear Semi-matt (30-40 gloss) Semi-gloss (60-70 gloss) Other  TYPE OF STAINS/LACQUERS  Nitro Polyurethane Acid catalyzed Polyester UV Solvent-based stain  Flat moulding Assembled furniture Irregular three-dimensional items Other  Irregular three-dimensional items Other  Irregular three-dimensional items Other  Irregular three-dimensional items Other  Paper coated Melamine coated Other  Semi-matt (30-40 gloss) Semi-gloss (60-70 gloss) Gloss (> 80 gloss)  TYPE OF STAINS/LACQUERS	Traditional furniture – Kitchen – Cabinet doors	Windows
Frame Flat panel Raised panel Raised moulding  MATERIAL DESCRIPTION  X Solid wood MDF Veneered substrate  FINISHING  Stain Clear Pigmented Other  Matt (< 25 gloss) Semi-matt (30-40 gloss) Semi-gloss (60-70 gloss) Gloss (> 80 gloss)  TYPE OF STAINS/LACQUERS  Nitro Polyurethane Acid catalyzed Polyester UV Solvent-based stain  Flat moulding Assembled furniture Irregular three-dimensional items Other  Matt (< 25 gloss) Semi-matt (30-40 gloss) Semi-gloss (60-70 gloss) UV Polyacrylic UV Acid-cured UV Acid-cured UV Acid-cured UV Waterborne Waterborne Waterborne Volvethane Volvethane Acid catalyzed Polyester UV Solvent-based stain  Verence Verenc		x Other Shiplap
Flat panel Raised panel  Raised moulding  MATERIAL DESCRIPTION  X Solid wood MDF Veneered substrate  FINISHING  Stain Clear Pigmented Other  Matt (< 25 gloss) Semi-matt (30-40 gloss) Semi-gloss (60-70 gloss) Other  TYPE OF STAINS/LACQUERS  Nitro Polyurethane Acid catalyzed Polyester UV Solvent-based stain  Assembled furniture Irregular three-dimensional items Other  Matt (< 25 gloss) Semi-gloss (60-70 gloss) UV Polyacrylic UV Acid-cured UV Acid-cured UV Acid-cured Waterborne Waterborne Waterborne Volve Waterborne Waterborne Volve Waterborne Waterborne Volve Waterborne	DESCRIPTION OF ITEMS	
Raised panel  Raised moulding  MATERIAL DESCRIPTION  X Solid wood MDF Veneered substrate  FINISHING  Stain Clear Pigmented Other  Matt (< 25 gloss) Semi-matt (30-40 gloss) Semi-gloss (60-70 gloss) Gloss (> 80 gloss)  TYPE OF STAINS/LACQUERS  Nitro Polyurethane Acid catalyzed Polyester UV Solvent-based stain  Irregular three-dimensional items Other  Matt (< 25 gloss) Semi-matt (30-40 gloss) Semi-gloss (60-70 gloss) UV Polyacrylic UV Acid-cured UV Acid-cured UV waterborne Waterborne Waterborne Waterborne Solvent-based stain  I 100% UV		
Items	<u> </u>	
Raised moulding   Other	Raised panel	1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
X Solid wood MDF Veneered substrate  FINISHING  Stain Clear Pigmented Other  Semi-matt (30-40 gloss) Semi-gloss (60-70 gloss) Gloss (> 80 gloss)  TYPE OF STAINS/LACQUERS  Nitro Polyurethane Acid catalyzed Polyester UV Solvent-based stain  Paper coated Melamine coated Other UV Polyacs  Semi-gloss (60-70 gloss) UV Polyacrylic UV Acid-cured UV Acid-cured UV waterborne Waterborne Waterborne 100% UV	x Raised moulding	1.001.10
MDF Veneered substrate  FINISHING  Stain Clear Pigmented Other  Matt (< 25 gloss) Semi-matt (30-40 gloss) Semi-gloss (60-70 gloss) Gloss (> 80 gloss)  TYPE OF STAINS/LACQUERS  Nitro Polyurethane Acid catalyzed Polyester UV Solvent-based stain  Matt (< 25 gloss)  Matt (< 25 gloss)  UN Polyacylic (UV Polyacylic (UV Polyacylic (UV Acid-cured (UV Acid-c	MATERIAL DESCRIPTION	
Veneered substrate  FINISHING  Stain Clear Pigmented Other  Semi-matt (30-40 gloss) Semi-gloss (60-70 gloss) Gloss (> 80 gloss)  TYPE OF STAINS/LACQUERS  Nitro Polyurethane Acid catalyzed Polyester UV Solvent-based stain  Other  Matt (< 25 gloss) Semi-gloss (60-70 gloss) UV Polyacrylic UV Polyacrylic UV Acid-cured UV waterborne Waterborne Waterborne	x Solid wood	Paper coated
FINISHING  Stain Clear Pigmented Other  Nitro Polyurethane Acid catalyzed Polyester UV Solvent-based stain  Matt (< 25 gloss) Semi-matt (30-40 gloss) Semi-gloss (60-70 gloss) Gloss (> 80 gloss)  UV Polyacrylic UV Acid-cured UV Acid-cured Waterborne Waterborne Waterborne 100% UV		
Stain Clear Pigmented Other  Nitro Polyurethane Acid catalyzed Polyester UV Solvent-based stain  Matt (< 25 gloss) Semi-matt (30-40 gloss) Semi-gloss (60-70 gloss) Gloss (> 80 gloss)  UV Polyacrylic UV Acid-cured UV Acid-cured Waterborne Waterborne 100% UV	Veneered substrate	Other
Clear Pigmented Other Other  Nitro Polyurethane Acid catalyzed Polyester UV Solvent-based stain  Semi-matt (30-40 gloss) Semi-gloss (60-70 gloss) Semi-gloss (60-70 gloss) UV Polyacrylic UV Acid-cured UV Acid-cured Waterborne Waterborne 100% UV	FINISHING	
XPigmented OtherSemi-gloss (60-70 gloss) Gloss (> 80 gloss)TYPE OF STAINS/LACQUERSUV Polyacrylic UV Acid-cured 	Stain	Matt (< 25 gloss)
Other Gloss (> 80 gloss)  TYPE OF STAINS/LACQUERS  Nitro UV Polyacrylic UV Acid-cured UV Acid-cured UV waterborne		
TYPE OF STAINS/LACQUERS  Nitro Polyurethane Acid catalyzed Polyester UV Solvent-based stain  UV Polyacrylic UV Acid-cured UV waterborne Waterborne 100% UV		
Nitro Polyurethane Acid catalyzed Polyester UV Solvent-based stain UV Polyacrylic UV Acid-cured UV waterborne Waterborne 100% UV	Other	Gloss (> 80 gloss)
Polyurethane Acid catalyzed Polyester UV Solvent-based stain UV Acid-cured UV waterborne Waterborne 100% UV	TYPE OF STAINS/LACQUERS	
Acid catalyzed UV waterborne Waterborne Solvent-based stain x 100% UV		
Polyester UV Solvent-based stain Waterborne 100% UV	, , , , , , , , , , , , , , , , , , ,	
Solvent-based stain x 100% UV	-	
Waterborne stain	Waterborne stain	

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#### DCS8-Pos.1

Eight Foot Roller Infeed Conveyor

- Extrusion Base with 3/4HP SEW Drive Motor
- Adjustable hold down Rollers
- Adjustable Central Adjustment Guide (adjust fence guides with one single-handle adjustment)
- BX Cleaning- Cleaning moldings with air knives after being sanded, excess dust

#### Fluid Heater- Pos.2

Temprature controlled Fluid Heater

- Stand Alone unit with connection hoses to existing MV32 Tower
- ½" Recirculation Pump
- Control Panel w/Watlow Fluid Heater Controller to set & maintain consistent temperature

Seller	Buver	



#### MV32-Pos.3

Vacuum Coater

- Two (2) 15hp Blowers w/ metal ducting to tower, pneumatic gate valve on 2<sup>nd</sup> Blower
- ½" Coating Pump
- SS Filters
- SS Vacuum Head
  - o With top and bottom coating feeding
  - Brush on outfeed template
- 10 Gallon Reservoir
- 360 Degree Coating Coverage
- Made in USA

#### CTU8- Pos.4

Eight (8) Lamp UV Oven

- Two (2) Bottom, Two (2) Top, Four (4) side 12" UV Lamps
  - o 360 Degree Curing
  - Mercury & Gallium Lamps
  - Lamp Counter to monitor lamp usage
- Four (4) 17kw Electronic Ballasts
  - o 30-100% Power Adjustment
  - Power Save Mode
- Control Panel w/ Color touch Screen
  - o Siemens PLC, Inverter, and components
  - Cefla Remote Support (Modem included to receive remote support via Ethernet connection)
- Four (4) 1000cfm Exhaust
- Kevlar Belt
- 360 Degree Curing
- Made in USA

Seller	Buver	



#### Note

This equipment will provide best quantity/quality results if parts (work pieces), which are not suitable for processing, are rejected prior to finishing. Parts are generally considered suitable for finishing if they are free of excessive bow, warp, twist, marks, splits and color variations. It is also assumed that such suitable and properly prepared parts have been cleaned prior to finishing. Designed line operating speed is based on the requirements of customer's daily volume throughput and specific tested coatings. Maximum speed is not necessarily the appropriate working speed to achieve desired finishing quality. Prior to entering into a sales agreement, Cefla recommends to perform testing in our laboratory to confirm that the type and size of curing solution offered meets your expected quality and performance requirements with your specific coating material.

The layouts and the photographs included in this offer are approximate and not binding for the vendor.

Seller Buyer



PRICE \$219,000 USD

Total price of the above equipment, FOB Charlotte

Price quoted includes installation and training

Travel expenses are included

Lodging and boarding expenses are included.

Price quoted excludes all state/federal/provincial/local taxes

Price is in US dollar

Note: Above price includes 20 hours of instruction.

Additional instruction is available at normal service technicians' rates in effect at that time.

NOTE: THE LAYOUTS AND THE PHOTOGRAPHS INCLUDED IN THIS OFFER ARE APROXIMATE AND NOT BINDING FOR THE VENDOR.

Seller \_\_\_\_\_ Buyer\_\_\_\_



#### **PRICE PAYMENT**

- 30% down payment with the order
- 30% due prior to shipment from the Cefla factory
- 35% due prior delivery
- 5% net upon completion of installation.

If for any reason shipment and/or installation are delayed by the Buyer, the payment(s) shall become due in full sixty (60) days after the Goods are available for shipment from Seller's factory. Terms of payment offered herewith, or any terms agreed upon, are subject to proper credit approval.

#### **DESPATCH AND DELIVERY**

Week ...... Ex-Factory Europe plants, provided there are no force majeure or any other cause whatsoever beyond the control of the vendor and related to the agreed payment mode.

Seller Buyer



#### **INSTALLATION**

Installation as defined in the General Terms and Conditions of Sale means the assembly and preparation of the equipment to the "ready to run" state; it does not include any preparation of the site, floor, anchoring of equipment to floor, masonry work, running of electrical, pneumatic or dust extraction services to the site, or building alterations.

Customer is responsible for the off-loading and positioning by crane, forklift or other means, as well as supplying the necessary equipment and material to perform this task. At Customer's request and expense, a Cefla field service representative can be made available during the off-loading and positioning in order to act in an advisory capacity, but this is to be understood fully at Customer's own risk. Moving and modifying existing equipment in Customer's facility is not included in the installation.

Once the equipment is in the "ready to run" state and the necessary installation services have been provided, the Cefla field service representative will test run, adjust as necessary, demonstrate and instruct Customer's personnel who are selected to operate and maintain this equipment. The Cefla field service representative will also review the manuals supplied for this equipment.

Customer will make available two (2) mechanics and one (1) electrician, to assist as necessary, or the Customer may contract to have additional Cefla technicians, to assist in the assembly of the finishing system. In the event the Customer has not contracted for additional Cefla technicians and the Customer finds it necessary to use their aforementioned personnel for purposes other than full dedication to the installation of the finishing system, Cefla North America, Inc. will assess a daily or hourly labour charge for such time. Cefla technicians will not have any obligation to perform any services other than the installation of the equipment in accordance with the conditions stated above.



#### ITEMS NOT COVERED BY THIS PROPOSAL

- Electric and pneumatic connections to control boards.
- Surge protected electrical services to the site with no more than  $\pm 5\%$  variance in input voltage.
- Electrical trays, wire, conduit, supports, etc.
- Balanced dust extraction system and connecting ducts.
- Air inlet/outlet ducts and (open/close/weatherproof) roof penetrations (flow control valves provided).
- Heat source (boiler) and connections between heat source and points of use.
- Compressed air lines to connecting points at 6 kg/cm2 or 90 psi.
- Application or material feed equipment (guns, pumps, tanks, hoses, fittings, regulators, etc.)
- Sprinkling system or other fire protection equipment required by insurance or local code.
- Air make-up system.
- Building alterations.
- Floor or masonry work.
- Moving of existing machinery or site preparation.
- Unloading of the trucks and storage of the equipment and parts in a properly protected area.
- PSR/PSI/CSA reports/inspections
- Equipment to assist in installation (i.e. forklifts, cranes, scissors lifts, etc.).
- Permits to install and operate (when required).
- Import duties and any Federal & Provincial sales taxes.

#### **ADDITIONAL ASPECTS NOT COVERED BY THIS PROPOSAL**

Unless specifically agreed upon in writing between the parties, Cefla North America, Inc. has no responsibility for staging, alignment or any other preparation of parts, panels or other materials fed into or otherwise introduced into the equipment covered by this proposal or for any unloading, stacking, routing, storing or any other disposition of parts, panels or other materials existing such equipment.

#### **CEFLA NORTH AMERICA INC.**

Area Manager: <b>Wes Bryant</b>	By: Marco Belluz
Email: wbryant@ceflaamerica.com	<u> </u>
Cell. +1 704 301-1553	Marco Belluz
	Project Engineer



#### TERMS AND CONDITIONS OF SALE

All sales and services provided by CEFLA North America, Inc. and/or its Affiliates, ("Seller") are subject to the following terms and conditions (the "Terms of Sale"):

NOTICE: ANY PURCHASE ORDER. ORDER ACKNOWLEDGEMENT. ORDER ACCEPTANCE. SALES AGREEMENT OR OTHER COMMERCIAL DOCUMENT, AND ALL SALES AND SERVICES BY SELLER, INCLUDING ANY SALES OR SERVICES RELATED TO MACHINES, PARTS OR OTHER GOODS (COLLECTIVELY THE "GOODS") IS EXPRESSLY CONDITIONAL ON THE TERMS CONTAINED IN THESE TERMS OF SALE AND IN SELLER'S FINAL WRITTEN SALES AGREEMENT, SIGNED BY SELLER MANAGEMENT (the "Sales Agreement"). NO OTHER TERMS SHALL APPLY. ADDITIONAL OR DIFFERENT TERMS PROPOSED CUSTOMER ("BUYER") WHETHER IN BY**COMMERCIAL** DOCUMENTS. CORRESPONDENCE. **BUYER** WEBSITE. ELECTRONIC FORMAT, OR OTHERWISE ARE OBJECTED TO AND WILL NOT BE BINDING **UPON SELLER** UNLESS **SPECIFICALLY** ACCEPTED IN WRITING BY SELLER.

#### 1. Contract Formation.

No contract is formed or binding on Seller unless and until set forth in Seller's written Sales Agreement, signed by Buyer and signed by Seller Management. All understandings between the Parties shall be as set forth in Seller's Sales Agreement, provided that these Terms of Sale are incorporated into the Sales Agreement (the Sales Agreement and these Terms of Sale, being the "Contract"). Seller objects to any terms and conditions in any order or other document from Buyer which vary the terms hereof (for clarification. "acknowledgement" or submission of an unsigned Sales Agreement in response to an order is not an acceptance). In any event, Buyer's failure to object to the terms in the Contract within ten (10) days after receipt constitutes Buyer's acceptance of all terms and conditions therein. Buyer may not cancel the Contract or delay delivery of Goods.

# 2. <u>Delivery, Shipment, Title, Risk Of Loss And Claims.</u>

Delivery of Goods shall be, and Buyer shall assume risk of loss of the Goods, F.O.B. at the port of entry (if imported) or Seller's domestic warehouse (if in Seller's

#### Cefla North America Inc.

6125 Harris Technology Blvd. Charlotte, NC 28269 Ph. (704) 598 0020 Fax: (704) 598 3950 inventory in the United States) unless other delivery terms are specified by Seller in its Sales Agreement. Seller may, at its option, ship all of the Goods at one time or in portions from time to time. Seller shall make reasonable efforts to ship Goods for delivery on or about the time stated or estimated on Seller's Sales Agreement, although time shall not be of the essence with regard to delivery of the Goods. Under no circumstances will Seller be responsible for or incur any liability arising out of any delays in delivery or failure to make delivery at an agreed or specified time. Unless otherwise set forth in Seller's Sales Agreement, Seller shall have absolute discretion as to mode and routing of shipments.

#### 3. Price Adjustment.

The prices of Goods are based on the current price levels of Seller's supplies. In the event that, between the date of the order Sales Agreement and the date of delivery of the Goods, any supplier increases the price of materials or goods, then, unless otherwise specified in Seller's Sales Agreement, Buyer agrees that the amount of such increase shall be added to the price of the Goods. Further, should there be changes adverse to Seller in currency fluctuations with the country in which Goods are manufactured, import duties or transportation costs affecting the Goods or price between the date of Seller's Sales Agreement and the date of delivery of the Goods, Seller may adjust the price to be paid by Buyer for Goods and may add the amount by which currency rates, duties and transportation costs change.

#### 4. Advance Payments.

Seller will start execution under the Contract only upon receipt of the advance sum agreed at the time of the order. No interest shall be payable an advance payments made by Buyer. Should Buyer cancel or breach the Contract, fail to perform, or delay delivery, Seller may, without limiting its rights and remedies under the Contract or under law, retain the advance sum. Should Seller's damages exceed the advance sum, Buyer will have to pay the remaining amount of damages.

#### 5. <u>Default and Termination</u>.

Buyer shall be in breach of the Contract if Buyer breaches or violates any term of the Contract or if Buyer

Seller	Buver



ceases conducting business in the normal course, admits its insolvency, makes an assignment for the benefit of creditors or becomes the subject of any judicial or administrative proceedings in bankruptcy, receivership or reorganization. Without limiting Seller's rights and remedies under the Contract or under law, upon a breach by Buyer, Seller may cancel and terminate the Contract and any other contract or agreement with Buyer.

#### 6. Force Majeure.

Seller shall have no liability for any non-performance or delay in performance caused by circumstances beyond Seller's control including acts of God, fire, flood, war, government action, accident, labor trouble or shortage, delays in obtaining (or the inability to obtain) labor, materials, equipment, services or transportation through usual sources at normal prices, or failure of Seller's suppliers to furnish parts or other goods required for the Goods.

#### 7. Installation.

Installation of Goods by Seller is not included in the offered price, unless expressly set forth in Seller's Sales Agreement. If installation is included in the Sales Agreement, Seller shall make reasonable efforts to install the Goods on or about the time agreed to in writing by Seller, although time shall not be of the essence with regard to installation of the Goods. Under no circumstances will Seller be responsible for or incur any liability arising out of any delays in installation or failure to install at an agreed time.

#### 8. Design Changes; materials and samples.

Seller reserves the right, from time to time, including on Goods already ordered, to make changes in the design, dimensions, specifications, or construction of the Goods, without prior notice to Buyer. Buyer represents and warrants that any and all material, samples or other property Buyer provides to Seller and any samples or templates resulting therefrom shall not infringe any third party's rights, including intellectual property rights, and any specifications or other requirement requested by Buyer and agreed to by Seller in the Contract shall not infringe

any third party's rights, including intellectual property rights.

#### 9. **Data Protection**.

By placing an order, Buyer agrees and understands that Cefla may store, process and use data collected from Buyer's order form or phone/fax/email order for the purposes of processing the order. Cefla may also share such data globally within the Cefla Group of companies. All Cefla companies shall protect Buyer's information in accordance.

#### 10. Proprietary Rights & Confidentiality

**10.1** Buyer shall not use Cefla's name, logo, trademarks, trade names, trade dress, design, look and feel or other intellectual property or proprietary rights (together "Proprietary Rights") in any of its advertising, communications, publications or other work without the prior written permission of Cefla and then such use shall be in accordance with the instructions and guidelines issued by Cefla from time to time and any authority may be withdrawn or modified at any time. Neither Buyer, nor its agents, will register, or attempt to register or assert any right of ownership in any of Cefla's Proprietary Rights. Buyer must not remove, obfuscate, deface, cover or alter any Cefla mark or other mark from, or add any Cefla mark or other mark to, any materials provided by Cefla or to any Product or its packaging. Neither Buyer nor its agents will register or use any trade or service mark that may cause confusion with Cefla Proprietary Rights.

10.2 Cefla owns all rights in all designs, drawings, specifications, processes, equipment, and all other intellectual property and know-how related to the Products, and Buyer does not have any proprietary, intellectual property or similar rights in the Products, or in any newly developed products, or any patents, trade secrets, intellectual property or similar rights relating to the Products or any newly developed products. Buyer agrees to assign and hereby assigns to Cefla all rights, title and interest in any designs, drawings, specifications, processes and all other intellectual property and knowhow, including, but not limited to, copyrights, patents, trademarks and trade secrets, created or to be created arising out of or related to the Products, including any

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such items that may have been conceived, developed or produced by Buyer or jointly by Buyer with any third party (or with Cefla). Buyer agrees not to reverse engineer any Products.

10.3 All confidential or proprietary information ("Confidential Information") provided by Cefla to Buyer, whether written or oral, shall not be disclosed by Buyer to any person unless the disclosure is agreed to in writing by Cefla or the Confidential Information is otherwise generally available to the public.

10.4 Cefla retains ownership and control over all intellectual property including patents, trademarks, and copyrights applicable to or arising out of any transaction with Buyer, the Products, as well as the exclusive right to manufacture the Products. No license is granted or implied by these Terms, and Buyer shall not name or designate any Cefla product information or Products in any process patent application.

#### 11. Software License

**11.1** In this Agreement "Software" means any software including without limitation operating systems, bundled software, stand-alone software and downloadable software (whether included with a Product or provided separately).

**11.2** Buyer shall be responsible for ensuring that any Software or Product solution ordered by Buyer is suitable for Buyer's requirements and is compatible with Buyer's existing systems (hardware and software) and practices.

11.3 Buyer acknowledges that Products often contain not only hardware but also Software, including but not limited to operating systems and applications. Such Software may be included in ROMs or other semiconductor chips embedded in hardware, or it may be contained separately on disks or on other media. Such Software is proprietary, is copyrighted, and may also contain valuable trade secrets and be protected by patents. Buyer, as an end user, may be licensed to use any software contained in such Products, subject to the terms of the license accompanying the Product, if any, and the applicable patent, trademark, copyright, and other intellectual property laws. Purchaser shall not separate any end-user license from a Software Product.

**11.4** All Software is licensed to Buyer on the terms and conditions of the applicable license agreements

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6125 Harris Technology Blvd. Charlotte, NC 28269 Ph. (704) 598 0020 Fax: (704) 598 3950 accompanying the Software. In addition to any obligations or restrictions set forth in the license agreement, Buyer shall not copy any Software except for back up or for archival purposes, and Buyer shall promptly affix to any such copy the same proprietary and copyright notices as were affixed to the original. Except to the extent permitted by law, Buyer shall not duplicate, disassemble, de-compile, reverse engineer, modify, create derivative works, or otherwise change a Software or its form. Buyer may use Software that are incorporated in or packaged with an hardware Product solely in connection with the authorized use of such hardware Product, and shall have no other rights with respect to the Software.

#### 12. Taxes.

Buyer agrees to pay all property, sales, excise, use and other taxes ("Taxes") applicable to the sale, purchase, storage, erection, use or ownership of the Goods covered hereby regardless of whether such Taxes are invoiced by Seller, and Buyer shall reimburse Seller for any such Taxes paid by Seller.

#### 13. Payment Terms.

All payments shall be made at Seller's office in Charlotte, North Carolina, and payment shall not be deemed to have been made until so received by Seller. Unless otherwise set forth in Seller's Sales Agreement, all Goods and services must be paid in full immediately upon delivery of the Goods (or completion of the services). Should Buyer fail to pay any amount due to Seller, and without limiting Seller's rights and remedies under the Contract or under law, Seller may suspend any and all business with Buyer, including under the Contract and any other contract, and may refrain from providing technical assistance and services to Buyer including telephone and on site support and sale of parts (regardless if otherwise due pursuant to a warranty), until any and all amounts owed are paid in full. Under no circumstance may Buyer set off any claim of any nature against payment for Goods or services. Any payment not made to Seller when due shall accrue interest at an annual rate equal to the lesser of twelve percent (12%) or the maximum rate allowed by law, computed for the actual period of such delinquency.

Seller	Buyer
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Terms of payment offered or agreed upon are subject to Seller's determination to grant credit terms to Buyer, and Seller may change any credit terms and any payments terms if Seller determines, in its discretion, prior to delivery of the Goods that such terms should be reduced or cancelled.

#### 14. No Liability To Third Persons.

Buyer shall be liable, and Seller shall have no liability, for any reason for any demand, claim or action by any third party arising out of or relating to the Contract or the Goods or services, including the use or inability to use the Goods, any items produced using the Goods or the presence of Seller's employees on Buyer's premises. Third parties are deemed to include employees of Buyer and others (other than Seller).

## 15. <u>Limited Warranty, Remedies, and Limitation Of</u> Warranties.

Subject to the terms in these Terms of Sale, Seller warrants to Buyer that the Goods sold hereunder shall as of the date of delivery meet in all material respects Seller's published specifications for such Goods or the express warranty (if any) set forth in Seller's Sales Agreement, and with respect to services that Seller's services will be performed in a good and workmanlike manner. This warranty shall be effective with respect to mechanical components on the machines for a period of twelve (12) months or 2200 hours of operation (whichever comes first) or with respect to electrical components on the machines for a period of six (6) months, in any case from the date of installation or thirteen (13) months after delivery, whichever comes first. The 12 month/2200 hour or 6 month warranty is based on Buyer's business consisting of a single shift, eight hour per day operation. This warranty shall be effective with respect to services or parts for a period of twelve (12) months or six (6) months from the date of delivery or the completion of the service.

Buyer must deliver a warranty claim to Seller within thirty (30) days after the discovery of a potential warranty defect and, in any event, no later than thirty (30) days after the end of the limited warranty period, in writing and specifying the alleged warranty defect. Except for warranty claims timely made by Buyer hereunder, the limited warranty shall end and no longer

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6125 Harris Technology Blvd. Charlotte, NC 28269 Ph. (704) 598 0020 Fax: (704) 598 3950 be in effect thirty (30) days after the end of the warranty period. Once Seller determines that there is a covered warranty defect, Seller may, at its option, repair or replace any defect, or pay Buyer the reasonable costs thereof. Seller shall have no obligation to remedy any defect except upon delivery of the defective part or parts to Seller at Seller's office in Charlotte, North Carolina, freight pre-paid. Seller will not be obligated to provide anything further than repair or replacement of parts or payment to Buyer of the reasonable costs thereof. This limited warranty shall not be deemed to have failed of its essential purpose so long as Seller is willing and able to repair, replace, or make payment in the manner described above, and shall be the exclusive remedy of Buyer for breach of Seller's warranty. **SELLER** DISCLAIMS ALL **OTHER** ANY AND WARRANTIES. **EXPRESS** OR IMPLIED. **INCLUDING** WARRANTIES OF THE MERCHANTABILITY. **FITNESS FOR** Α **PARTICULAR** PURPOSE. AND NON-INFRINGEMENT. Normal wear, tear and deterioration during use, including to such items as light bulbs, belts, and synthetic material, shall not constitute a defect. The limited warranty of Seller does not apply to damage, breakage or other problem caused in whole or in part by lack of operating skill, negligence, improper use of the Goods, use of the Goods exceeding standards recommended by Seller from time to time or common in the industry. The limited warranty of Seller shall be void if: (a) the Goods are repaired, disassembled to any extent or changed by any person other than a technician expressly authorized by Seller, (b) safety devices are altered, modified or disabled by Buyer, or c) the failure is attributable to software, tooling, accessories or ancillary equipment not sold by Seller. (Note that authorized dealers of Seller may sell such items with the knowledge of Seller, however, such items are not within the scope of Seller's warranty.) This limited warranty is non-transferable.

Seller's limited warranty does not apply to Goods that are used or exchanged. All used and exchanged Goods are sold "AS IS" and without warranty, unless and then only to the extent Seller specifies a limited warranty in Seller's Sales Agreement. Any limited warranty provided by Seller on used or exchanged Goods shall

Seller	Buyer
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nevertheless be subject to the limitations, requirement and terms in these Terms of Sale.

Samples, descriptions, representations, and other information concerning Goods contained in Seller catalogs, advertisements, or other promotional materials or statements or representations made by Seller's employees, sales representatives or dealers are for general informational purposes only and are not binding upon Seller. No employee, sales representative or dealer of Seller shall have any authority whatsoever to establish, expand or otherwise modify Seller's limited warranty or to make any warranties, representations or promises (unless contained in the Contract or signed by an authorized officer of Seller).

#### 16. Safety.

Buyer shall install and operate the Goods in a safe manner, including by following all safety procedures recommended by Seller from time to time or common in the industry. Under no circumstances shall Buyer allow any safety device applicable to the Goods to be disabled, modified or altered.

#### 17. Indemnification.

To the fullest extent permitted by applicable law. Buyer shall, at its expense, indemnify and defend Seller against, and hold Seller harmless from and against, any and all demands, claims, actions, liabilities, costs and expenses (including reasonable attorneys' fees, court costs and other charges) arising out of, connected with, or resulting from (i) the Goods, including the selection, possession, or use of the Products, (ii) any breach or violation by Buyer of any term of the Contract, including any of Buyer's representations, warranties or covenants, (iii) any third party demand, claim or action covered by Section 11; and (iv) Buyer's negligence. Additionally, Seller shall be entitled to recover from Buyer any and all costs or expenses (including reasonable attorneys' fees, court costs and other charges) incurred by Seller after Buyer's breach or default in enforcing Seller's rights against Buyer under the contract.

#### 18. Compliance With Laws.

Unless otherwise set forth in the Seller's Sales Agreement, Buyer is responsible, and Seller is not liable to Buyer, to determine that the Goods and their

#### Cefla North America Inc.

6125 Harris Technology Blvd. Charlotte, NC 28269 Ph. (704) 598 0020 Fax: (704) 598 3950 installation and use conform to all applicable federal, state, provincial or local law, order regulation, or standard, and to obtain at Buyer's cost all inspections, permits and approvals.

#### 19. Inspection; Claims and Acceptance.

Buyer shall inspect the Goods immediately on receipt and shall, within ten (10) days thereafter, give written notice to the Seller of any claim that the Goods do not conform to the terms of the Contract. The Goods shall be deemed to conform and Buyer shall be deemed to have accepted the Goods upon the earlier of (a) ten (10) days after delivery (10 days after installation if installation is performed by Seller) or (b) any use of the Goods for production. Upon such acceptance, if payment has not already been made, Buyer shall immediately pay for the Goods as required by the Contract. Seller shall not be liable for any claim or damages arising out of or resulting from the installation of Goods by Buyer or use by Buyer of non-conforming, damaged or defective Goods.

#### 20. Exclusion of Damages; Limitation Of Liability.

TO THE FULLEST EXTENT PERMITTED BY LAW, SELLER SHALL NOT BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL (INCLUDING LOST PROFITS). SPECIAL OR PUNITIVE DAMAGES ARISING OUT OF OR RELATING TO CONTRACT (INCLUDING SELLER'S BREACH). THE GOODS OR THE INSTALLATION. THE SERVICES OR THE USE OR INABILITY TO USE ANY OF THE GOODS, INCLUDING (1) LOSS OF USE, (2) LOSS OF PRODUCTION; (3) LOSS OF OPPORTUNITY; (4) LOSS OF MARKET VALUE; (5) LOSS OF INCOME, (6) PERSONAL OR BODILY INJURY OF ANY KIND, OR (7) DAMAGE TO PERSONAL PROPERTY, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

NOTWITHSTANDING ANYTHING TO THE CONTRARY, THE MAXIMUM LIABILITY OF SELLER TO BUYER ARISING OUT OF OR RELATING TO THE CONTRACT (INCLUDING SELLER'S BREACH) OR THE GOODS OR SERVICES, WHETHER IN WARRANTY, CONTRACT, TORT, STRICT LIABILITY OR

Seller B	Buver



OTHERWISE, SHALL NOT EXCEED THE AMOUNT PAID BY SELLER FOR THE GOODS AND/OR SERVICES AT ISSUE.

#### 21. Statute Of Limitations.

No suit or action may be brought by Buyer, arising out of or relating to the Contract (including Seller's breach) or the Goods or services, and will be forever barred, unless it is commenced within the earlier of: (a) one (1) year after the claim or cause of action has accrued, or (b) the period prescribed by applicable statute of limitation or repose.

#### 22. Governing Law Arbitration.

The Contract shall be deemed to have been made in the State of North Carolina. The Contract and any dispute, claim or controversy arising out of or relating to the Contract, or the breach thereof, shall be governed by North Carolina law, excluding its conflict of law principles. If a dispute, claim or controversy arises out of or relates to the Contract, or the breach thereof, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to arbitration. In the event such mediation fails, the parties hereby agree submit any controversy or claim arising out of or relating to this Agreement, or the breach thereof, to arbitration pursuant to the Commercial Rules of the American Arbitration Association ("AAA"), as modified herein. There shall be a panel of three (3) arbitrators with one arbitrator appointed by each of Buyer and Seller. The third arbitrator ("the technical arbitrator") shall have technical knowledge derived from experience in the design, sale or operation of complex production machinery. The technical arbitrator may be appointed by the AAA if the parties are unable to agree on one, and the AAA may dispense with allowing parties to reject a technical arbitrator without cause. If payment is withheld by Buyer based upon an alleged setoff, the arbitrators shall, within thirty (30) days after appointment conduct a hearing and order payment of the setoff amount to Seller. Upon the initiation of an arbitration claim, Seller shall be allowed access to the Goods and other items at issue to allow its personnel and experts at any reasonable time to examine and test the Goods and other items at issue. The arbitrators shall strictly apply the terms of this Agreement and shall not be authorized to award any remedy, except as stated in this Agreement or expressly consented in writing during the arbitration by the party against whom the remedy is granted. All mediation and arbitration proceedings held pursuant to this arbitration provision shall be conducted in Charlotte, North Carolina and shall be confidential. Notwithstanding the foregoing in this Section 19 (i) either party has the right during any depute, claim or controversy to seek, use and employ ancillary, provisional or preliminary rights and/or remedies, judicial or otherwise, for the purposes of realizing upon, preserving, protecting, foreclosing upon or proceeding for possession of any personal property, and any such action shall not be deemed an election of remedies, and (ii) Seller shall have the right to implead, join or add Buyer as a third-party defendant in any legal action brought by a third party if such legal action, or the defenses or other rights, arises out of or in any manner related to Buyer's or Seller's obligations under the Contract. The Federal Arbitration Act (Title 9 of the United States Code) shall apply to the construction, interpretation, and enforcement of this arbitration provision.

#### Waiver; Assignment.

No failure of Seller to insist upon or compel compliance by Buyer with any of the terms, provisions or conditions in the Contract shall be construed as a waiver by Seller of its right to insist upon compliance therewith in the future. Buyer may not assign the Contract (including by operation of law) without the prior written consent of Seller. Any such attempt to assign shall be null and void.

#### 23. Complete Agreement; Modification.

The provisions in the Seller's final Sales Agreement and these Terms of Sale (constituting the Contract) are intended as a complete and exclusive statement of the terms of the agreement between Seller and Buyer with respect to the subject matter thereof. The Contract may not be modified or amended, and no waiver by Seller of any claim or right hereunder shall be effective, except in a writing signed by an authorized officer of Seller.

#### 24. Security Interest.

Seller	Buyer	

#### Cefla North America Inc.



To secure the payment of the purchase price and any other amounts due to Seller from Buyer under the terms of the Contract, Buyer hereby grants to Seller (as Secured Party) a purchase money security interest in the Goods and all proceeds thereof. Buyer hereby gives Seller the authorization to sign and file one or more financing statements (UCC 1 Form) or continuations or amendments securing and perfecting the interest of Seller in the Goods and all proceeds thereof. Seller shall have all of the rights and remedies available to a secured party under the Uniform Commercial Code and other applicable laws.

#### 25. Severability; Miscellaneous.

The Seller's Sales Agreement and any other agreements between Seller and Buyer may be executed in multiple counterparts and all of such counterparts together shall constitute a single instrument. The word "including" shall not limit such term and shall mean "including without limitation". If a provision of the Contract is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Contract will not be impaired. The Buyer and Seller agree that the drafting of the Contract and these Terms of Sale shall not be construed against either Buyer or Seller.

I have read and understood all terms and conditions of this Order Confirmation and I hereby accept to place an order subject to these Terms & Conditions. The Parties have caused this Agreement to be



# executed by their duly authorized representatives and their seal to be affixed hereto, as of the date first below written.

[Signatures Follows on Next Page]

Buyer Signature:	 	
Print Name:		
Title:	 	
Date:		
Seller Signature:		
Print Name:		
Title:		
Date:		

Cefla North America Inc.

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