

**STANDARD CONDITIONS OF SALE APPLYING TO PRODUCTS SOLD BY
PILLAR TECHNOLOGIES**

1. **General**

All sales of Pillar Technologies (hereinafter called "Pillar") are subject to the following terms and conditions. Any order that contains terms and conditions in addition to or inconsistent with the following shall not be binding upon Pillar unless acceptance thereof is made in writing by an officer of Pillar, and failure of Pillar to object to provisions contained in any purchase order or other communication from BUYER shall not be construed as a waiver of these conditions nor an acceptance of any such provision.

Specific quotations showing definite quantities must be made for each order and are subject to immediate acceptance.

No orders shall be binding on Pillar until accepted in writing by Pillar.

Pillar reserves the right to correct clerical and stenographic errors at any time.

Pillar represents that in the manufacture of its products and performance of its service it has complied with all applicable provisions, regulations and orders under the FAIR LABOR STANDARDS ACT OF 1938.

The BUYER is limited to a two-year period for bringing actions upon any section of this CONTRACT. This CONTRACT shall otherwise be governed by and construed according to the laws of the State of Wisconsin.

No person, agent, firm or dealer is authorized to modify or amend these Pillar Standard Conditions of Sale unless specifically set forth and acknowledged in writing by an officer of Pillar.

2. **PENALTY CLAUSE**

Pillar shall not be bound by any penalty clause for failure to meet shipment which may be included in any purchase order, contract, or quotation, unless specifically set forth and acknowledged in writing by an officer of Pillar.

3. **WARRANTY**

Pillar warrants the equipment and components of its manufacture to be free from defects in workmanship and material under normal use and service for a period of one (1) year, except for normal wear items as may be defined in proposal. The BUYER agrees to pay travel and living expenses for warranty work done at the customer's site.

The above warranty period commences at date of shipment. In the event the BUYER delays shipment, the warranty-period commences on the date Pillar is prepared to make shipment.

This warranty does not apply to any equipment which after delivery has been subject to abuse, accident, alterations by anyone other than persons authorized by Pillar, improper storage, misuse in its application, improper maintenance or failure to observe the operating instructions.

The obligation of Pillar hereunder shall be limited solely to repair and replacement of products that fail within the foregoing limitations, and shall be conditioned upon the receipt by Pillar of written notice of any alleged defects or deficiency promptly after discovery within the warranty period. No products shall be returned to Pillar without its prior consent. Products which Pillar consents to have returned shall be shipped F.O.B. Pillar's factory. Final determination as to whether a product is defective rests with Pillar. Pillar will not assume responsibility or accept invoices for unauthorized repairs to its components, even if defective.

PILLAR MAKES NO WARRANTY AS TO FITNESS OF ITS PRODUCTS FOR SPECIFIC APPLICATIONS BY THE BUYER, NOR AS TO PERIOD OF SERVICE UNLESS PILLAR SPECIFICALLY AGREES OTHERWISE, IN WRITING, AFTER THE PROPOSED USAGE HAS BEEN MADE KNOWN TO IT. PILLAR SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES RESULTING IN ANY MANNER FROM THE FURNISHING OF THE PRODUCTS OR FOR ANY EXPENSE INCURRED BY BUYER DUE TO USE OF SUCH PRODUCT. THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANT ABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE. THIS WARRANTY DOES NOT APPLY TO EXPERIMENTAL OR DEVELOPMENTAL PRODUCTS.

4. **REPLACEMENT PARTS**

Replacement parts for equipment that are still under the original warranty are warranted only for the period that remains under the original warranty. Replacement parts for equipment no longer under original warranty are warranted for a period of 90 days from date of shipment. All parts are shipped F.O.B. Factory unless specified in writing. Prices are those in effect at time of shipment. All prices in Pillar's price book or other printed matter are subject to a minimum 25% restocking charge.

5. **OSHA COMPLIANCE**

The above warranty is expressly conditional upon the following: BUYER agrees to comply with the requirements of the OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970 and the standards and regulations prescribed thereunder and agrees that the location, operation, installation, maintenance and use of all goods furnished by the SELLER and all work performed thereunder by the BUYER will comply with such requirements, standards and regulations. In no event shall SELLER be responsible for any failure of the goods to so comply where such failure is caused in whole or in part by (a) use contrary to the standard industry practices and procedures for operation and use of the goods, or use contrary to SELLER'S instructions or recommendations for operation and use of the goods, or (b) use in conjunction with other goods of the BUYER.

6. **PATENTS**

If any product furnished by Pillar, in suit, held to constitute infringement of any patent granted by the United States, Pillar shall, at its expense and at its option, either: Obtain the right for BUYER to continue using its product; or replace it with a non-infringing product and refund the purchase price. Any parts which Pillar does not manufacture are not hereby covered.

7. **DELIVERY**

Shipping dates set forth by Pillar are approximate, based on conditions existing at the time the estimate is made and are contingent upon the BUYER promptly supplying all necessary information, approvals and down payments to Pillar. Such estimate is not a guarantee as to shipment and Pillar accepts no responsibility for any delays which may occur.

8. **TRANSPORTATION**

Unless otherwise agreed to in writing by Pillar, delivery of the products hereunder shall be made F.O.B. point of shipment with transportation expense paid by the BUYER. Risk of loss or damage to products shall pass to the BUYER upon delivery to the carrier, regardless of the terms of sale or any reservation of security title herein. BUYER shall procure and maintain for the benefit of Pillar and BUYER as their interests may appear, adequate insurance on the products against damage by fire or other risks or casualties. BUYER shall be responsible for filling any claims against such insurers or carriers.

9. **PAYMENTS FOR EQUIPMENT**

The terms of payments are specified on the Pillar quotation and subject to the following conditions: If shipments are delayed by the BUYER, payments shall become due on the date when Pillar is prepared to make shipment. If such payment is delayed, an escalation factor of two per cent (2%) of the total outstanding balance shall apply for each month shipment is delayed. If the work to be performed hereunder is delayed by the BUYER, payments shall be made based on the purchase price and percentage of completion, and BUYER shall be liable for any price increase in the interim. Products held for the BUYER shall be at his risk and expense.

This CONTRACT expressly prohibits the BUYER from ceasing or reducing payments based upon a claim of breach of warranty. Lack of start-up is not, under this CONTRACT, cause for cessation or delay of payments unless otherwise expressly agreed to in writing.

All orders are subject to credit approval and if in Pillar's judgement, the BUYER'S financial condition at any time does not justify the terms specified, Pillar may require full or partial payment as a condition to commencing or continuing manufacture, or in advance of shipment, or, if shipment has been made, recover the product from the carrier. BUYER'S failure to furnish any such payment within ten (10) days of demand by Pillar shall constitute a repudiation of the CONTRACT and in such event Pillar shall be entitled to receive cancellation charges in accordance with Section 12 hereof.

10. **TAXES**

Pillar's prices do not include taxes. BUYER agrees to pay any and all taxes and assessments, or both, that may be levied against the products supplied by Pillar and to protect Pillar from any and all actions arising from failure to pay taxes or assessments so levied or assessed. BUYER shall provide Pillar with tax-exemption certificates when required to protect Pillar.

11. **SECURITY TITLE**

Security title and right of possession to the products sold hereunder shall remain with Pillar until the full price (including deferred payments and any notes or renewals or extensions) have been paid cash and BUYER agrees to do all acts necessary to perfect and maintain such security right and title in Pillar.

12. **CANCELLATION**

Pillar will accept only written notices of cancellation from the BUYER on the following basis:

- (a) Any products which are within thirty (30) calendar days of completion are to be completed and paid for by the BUYER in full under these Standard Conditions of Sale.
- (b) In the event that materials have been purchased for products on which production has not started, the BUYER may cancel such purchase order by paying an amount equal to one hundred eighty percent (180%) of the cost of such materials purchased.
- (c) In the event that production has commenced on products not within thirty (30) days of completion, the BUYER may cancel such purchase order by paying an amount equal to one hundred fifteen percent (115%) of the fraction completed times the selling price, not to exceed ninety percent (90%) of the sale price of the equipment.
- (d) Within five (5) days of the date Pillar notifies BUYER of the cancellation charges as set forth above. BUYER shall provide written instructions to Pillar for the disposition of the cancelled materials. Failure to provide such instructions shall be prima facie evidence that BUYER relinquishes and assigns all right, title, and interest in such cancelled materials to Pillar without credit against such cancellation charges, or other obligation on the part of Pillar to account for the proceeds of disposition of such materials.

13. **EQUIPMENT PRICES**

Prices specified in the quotation are for the period stated and, thereafter subject to change without notice, unless requested.

14. **GOVERNMENT CONTRACTS**

Pillar will comply with all provisions required to be inserted in BUYER'S purchase orders in accordance with the terms of any applicable FEDERAL statute.

15. **LIMITATION OF LIABILITY**

PILLAR'S LIABILITY ON ANY CLAIM OF ANY KIND, INCLUDING NEGLIGENCE AND BREACH OF WARRANTY FOR ANY LOSS OR DAMAGE RESULTING FROM, ARISING OUT OF, OR CONNECTED WITH THIS CONTRACT, OR FROM THE PERFORMANCE OF BREACH THEREOF, OR FROM THE MANUFACTURE, SALE, DELIVERY, RESALE, REPAIR OR USE OF ANY PRODUCT COVERED BY OR FURNISHED UNDER THIS CONTRACT SHALL IN NO CASE EXCEED THE PRICE ALLOCABLE TO THE PRODUCT OR PART THEREOF WHICH GIVES RISE TO THE CLAIM. IN NO EVENT SHALL PILLAR BE LIABLE FOR SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES.

16. **NONRESPONSIBILITY FOR DAMAGED APPARATUS**

Pillar will not be responsible for any damage resulting from improper storage or handling prior to placing the product in service. Pillar will not assume any expense or liability for repairs made outside Pillar's plant without Pillar's prior written consent.

17. **PACKING**

Quoted prices do not include charges for boxing, packing or freight unless specifically noted. If special packing is required, BUYER should refer to the factory for price additions.

18. **PRODUCT CHANGES**

Pillar assumes no obligation to incorporate product changes in units manufactured prior to the date such changes are generally incorporated in its products.