

## LEWIS SYSTEMS AND SERVICE COMPANY INC.

### Standard Terms and Conditions of Sale

- General. All transactions with Lewis Systems and Service Company, Inc. (the "Company") for the purchase and sale of all products (the "Products") and services (the "Services") supplied by the Company to the customer (the "Customer") named in the attached (the "Quote") or acknowledgment provided to the Customer hereunder are governed by these terms and conditions of sale (the "Terms and Conditions"). These Terms and Conditions are hereby incorporated as part of each purchase order from Customer for the purchase of Products ("Order"). Any Order that includes different or additional terms that may vary from these Terms and Conditions are objected to and disallowed. An Order is deemed by the Company to be an offer to purchase, which the Company may accept or reject in its sole discretion and such acceptance is expressly conditioned on Customer's assent solely to the terms of these Terms and Conditions. If the Company's Quote is deemed to constitute an offer, it may be accepted by Customer only on these Terms and Conditions and Customer's acceptance is expressly conditioned on Customer's assent solely to Terms and Conditions. An acceptance of any part of the Products or Services covered hereunder shall be deemed to constitute such assent. Unless otherwise specified in writing. the Quote shall expire thirty (30) days from the date thereof. Any minimum order threshold shall be determined by the applicable manufacturer of the Products. Prices; Payment Terms.
- 2.1. Unless otherwise agreed by the Company in writing, the purchase price for Products ("Price[s]") shall be set out in the applicable Quote. Prices exclude sales tax. It has been assumed that the customer shall provide a tax certificate. Prices are subject to change in the event of any material increase in the costs of energy or raw materials between the date of the Order and the date of shipment.
- 2.2. Payment in full shall be made in United States currency following date of invoice in accordance with the terms set forth on the applicable Order. Invoices shall be sent to the address specified in the Order. Should the Customer dispute any invoice, Customer shall notify the Company of the nature of the dispute in writing within fifteen (15) days of the invoice date. If Customer does not notify the Company of any dispute within fifteen (15) calendar days of the invoice date, then the invoice is deemed to have been accepted and invoice payment is required to be made on the payment due date per these Terms and Conditions. Notwithstanding any dispute regarding an invoice, the Customer shall timely pay the undisputed portion of the disputed invoice.
- 2.3. If Customer is delinquent in its payment obligations, Customer shall pay, in addition to the delinquent payment, a late charge equal to the lesser of one and one-half

- percent (1.5%) per month or any part thereof or the highest applicable rate allowed by law on all such delinquent amounts plus the Company's attorneys' fees and court costs incurred in connection with collection.
- 2.4. Customer acknowledges that the Company has the right to reassess Customer's creditworthiness from time to time. Unless expressly prohibited by law, in the event there is a decline in Customer's creditworthiness in the Company's reasonable discretion, the Company may, upon fifteen (15) days written notice, revise the payment terms between the parties. *Delivery of Products*.
- 3.1. Unless otherwise agreed in writing by the parties, the Company shall deliver the Products to the Customer using the Company's standard methods for packaging and shipping such Products. The Customer shall bear the costs of delivery of the Products. Delivery terms are F.O.B. shipping point for destinations in the United States and EXWORKS FACTORY (INCOTERMS 2010) for destinations outside of the United States.
- 3.2. Any specified delivery dates are approximate only and not guaranteed. The Company shall not be liable for any delays howsoever caused, nor can the delivery dates be made of the essence by any written notice or communication. Reasonable endeavors will be made to meet delivery dates, but the Company shall not be liable for any failure to do so and any consequent right of Customer to repudiate the Order is expressly excluded.
- 3.3. In the event the Products arrive to the Customer damaged, the Customer must note such damages on the bill of lading issued by the carrier. If the Customer does not include a note regarding such damages on the bill of lading with the carrier, the Company shall not be liable for any such damages however caused.
- 3.4. The Company may, at its option and in its sole discretion, deliver the Products in one or more installments. If the Products are delivered/completed in installments, the Company shall be entitled to invoice for each installment as and when each installment is delivered/completed.
- 4. Transfer of Property; Risk of Loss. The Company shall retain the right and title to the Products sold to the Customer until the Company receives payment in full for the Products. The Customer shall obtain the right and title to the Products upon payment to the Company of the full Price of the Products and any taxes, excise or other charges. The risk of loss, including, but not limited to the risk of loss, theft, damage or destruction of the products, transfers to the Customer F.O.B. the Company's facility.
- 5. <u>Inspection; Rejection of Products</u>. Except set forth in Section 3.3, Customer shall have one business (1) day from the Company's delivery of Products at the destination point set forth in the applicable Order to inspect the Products and notify the Company of rejection

of Products for non-conformity with the Order. Any notice of rejection must be in writing, identify the Order and describe all nonconforming aspects of the Products. If Customer timely notifies the Company of nonconforming Products, the Company shall, in its sole discretion, (a) replace such nonconforming Products with conforming Products, or (b) credit or refund the Price for such nonconforming Products, together with any reasonable shipping and handling expenses incurred by Customer in connection therewith. Upon any express written instructions from the Company, Customer shall ship nonconforming Products to the Company's facility from which such Product was originally shipped. If the Company exercises its option to replace nonconforming Products, the Company shall, after receiving Customer's shipment of nonconforming Products, ship to Customer, at Customer's expense and risk of loss, the replaced Products. Customer acknowledges and agrees that the remedies set forth in this Section 5 are Customer's exclusive remedies for the delivery of nonconforming Products.

#### 6. **Cancellation**.

- 6.1. The Company may cancel an Order if Customer becomes insolvent or suspends any of its operations or if any petition is filed or proceeding commenced by or against the Company under any state or federal law relating to bankruptcy, arrangement, reorganization, receivership, or assignment for the benefit of creditors.
- 6.2. In the event Customer cancels an Order or a portion of an Order, the Company shall invoice Customer for material, labor and restocking costs incurred by the Company as of the date of cancellation, and Customer shall pay such invoice within thirty (30) days after receipt of such invoice.

## Limited Warranty.

- 7.1. The Company agrees to pass through the applicable manufacturer's warranty and any licenses, so long as such manufacturer does not prohibit such assignment. For the avoidance of doubt, the Company shall not be responsible to provide Customer any "back-up air."
- 7.2. THF **COMPANY** MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS OR SERVICES (OR PARTS SUPPLIED IN CONNECION WITH THE SERVICES), WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OTHERWISE, AND THE COMPANY SPECIFICALLY MAKES NO WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE OR OF NON-INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY.
- 8. <u>LIMITATION OF LIABILITY</u>. IN NO EVENT SHALL THE COMPANY BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL OR SPECIAL DAMAGES, WHETHER OR NOT BASED UPON THE COMPANYS NEGLIGENCE, BREACH OF WARRANTY OR STRICT LIABILITY IN TORT OR ANY OTHER CAUSE OF ACTION ARISING,



DIRECTLY OR INDIRECTLY, IN RESPECT TO THE PRODUCT OR SERVICES PURCHASED FROM THE COMPANY, OR THE USE OR FAILURE THEREOF, INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR LOSS OF OPPORTUNITY OR PROFITS. UNDER NO CIRCUMSTANCES SHALL THE COMPANY'S AGGREGATE LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT EXCEED THE AVERAGE ANNUAL AMOUNT PAID HEREUNDER FOR THE PRODUCTS AND SERVICES PROVIDED BY THE

#### 9. **Provision of Services**.

COMPANY.

- 9.1. If the Customer engages the Company for the Services, the Company shall provide preventive maintenance and repair services for the Products. The Services may be provided through subcontractors. The Company provides the following Services packages, and a detailed description of each shall be provided to the Customer: (i) monthly service program (ii) quarterly service program, (iii) semi-annual service program, or (iv) annual service program.
- 9.2. Unless otherwise agreed by the Company in writing, the fee for the Services shall be the Company's rate (and cost of materials) in effect at the time the Services are performed. All quoted fees for Services are estimated based on previous projects of similar units in conjunction with factory suggested repair times. As all projects vary in nature, actual hours for project completion will be charged to the customer regardless of quoted amounts. The Company shall provide the Services for one (1) year and the term may be extended as mutually agreed upon by both parties.
- 9.3. Customer shall (a) cooperate with the Company in all matters relating to the Services and provide such access to Customer's premises, and other facilities as may reasonably be requested by the Company for the purposes of performing the Services; (b) respond promptly to any Company request to provide direction, information, approvals, authorizations, or decisions that are reasonably necessary for the Company to perform Services: (c) provide such Customer materials or information as the Company may reasonably request to carry out the Services in a timely manner and ensure that such Customer materials or information are complete and accurate in all material respects; and (d) obtain and maintain all necessary licenses and consents and comply with all applicable laws in relation to the Services before the date on which the Services are to start. In the event emergency work is required beyond normal working hours, such Services shall be billed at the normal daily night/weekend or holiday rate in effect at the time the work is performed.
- 9.4. Services shall not typically encompass the need to move, relocate or negotiate any item weighing over 50 pounds. In the event certain circumstances require the Company to negotiate items which are over 50

pounds, the Customer agrees to provide the additional personnel and/or equipment required to assist the Company's service technician in negotiating the item(s) until such items are safely relocated and/or reinstalled. In the event that the Customer is unable to provide such additional personnel, the Company shall provide additional service technicians to be available for an additional cost. The Customer is responsible for providing containers for used desiccant disposal and the removal and disposal of filled containers at the conclusion of the change out unless quoted.

#### 10. Applicable Law; Forum.

- 10.1. The parties agree that unless otherwise agreed in writing, these Terms and Conditions shall in all respects be governed by and construed in accordance with the laws of the State of North Carolina. Customer agrees to comply with all legal requirements applicable to Customer.
- 10.2. Any legal suit, action, or proceeding arising out of or relating to an Order or these Terms and Conditions shall be instituted in the federal courts of the United States of America or the courts of the State of North Carolina, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding. No action in law or equity arising out of any Quote, Order or these Terms and Conditions may be brought by Customer more than one (1) year after the cause of action has first arisen. The Company shall have the right to collect from the Customer its reasonable expenses, including attorneys' fees, incurred in enforcing these Terms and Conditions. The rights and obligations herein shall survive completion of the final payment under an Order.
- Force Majeure. The Company shall neither be liable for loss, damage, detention or delay nor be deemed to be in default for failure to perform when prevented from doing so by causes beyond its reasonable control, including but not limited to acts of war (declared or undeclared), Acts of God, fire, strike, pandemic, labor difficulties, acts or omissions of any governmental authority or of Customer, compliance with government regulations, insurrection or riot, embargo, delays or shortages in transportation or inability to obtain necessary labor, materials, or manufacturing facilities from usual sources or from defects or delays in the performance of its suppliers or subcontractors due to any of the foregoing enumerated causes. In the event of a delay due to any such cause, the date of delivery will be extended by a period equal to the delay plus a reasonable time to resume production.
- 12. <u>Confidentiality</u>. The Quote (including any accompanying documents) contains information proprietary to the Company. No part of the Quote information may be reproduced or transmitted in any form without the prior written permission of the Company. Customer shall treat the details of

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the Quote any information made available in relation hereto as private and confidential and shall not publish or disclose the same or any particulars therefore (save as may be required by law) without the previous consent of the Company, providing nothing in this section shall prevent the publication or disclosure of any such information that has come within the public domain otherwise than by breach of this section which is required to be disclosed bylaw.

#### 13. Intellectual Property Rights.

- 13.1. Notwithstanding delivery of and the passing of title in any Products to Customer, nothing in these Terms and Conditions shall have the effect of granting or transferring to, or vesting in, Customer any intellectual property rights in or to any Product.
- Security Interest. To secure Customer's prompt and complete payment and performance of any and all present and future indebtedness, obligations and liabilities of Customer to the Company, Customer hereby grants to the Company a purchase money security interest in all Products purchased under this Agreement by Customer from the Company, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. Customer hereby authorizes the Company to file Uniform Commercial Code financing statements, amendments, and continuation statements in connection therewith and to take all other actions the Company deems necessary or desirable to evidence the Company's security interest in such Products, and to perfect. maintain, protect, and foreclose on the security interest granted herein.
- 15. <u>Assignment</u>. Customer shall not assign an Order without the prior written consent of the Company, and any purported assignment shall be void. The Company may assign an Order and its rights and obligations in connection therewith at any time without notice to the Customer.
- 16. **Waiver**. No waiver by the Company of any breach of these Terms and Conditions by Customer shall be considered as a waiver of the subsequent breach of the same or any other provision.
- 17. <u>Severability</u>. If any provision or portion of these Terms and Conditions shall be adjudged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, that provision or portion of these Terms and Conditions shall be deemed omitted and the remaining provisions and portions shall remain in full force and effect.
- 18. <u>Miscellaneous</u>: These terms and any accompanying Quote or invoice from the Company constitute the entire agreement between the parties and supersedes any and all prior or contemporaneous oral or written representations, understandings, agreements or communications between the parties concerning the subject matter hereof.



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