



Premium Process Equipment
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Standard Terms and Conditions of Sale of Equipment. 7 Jan 2004

Sale of Equipment by Premium Process Equipment, (hereinafter referred to as "PPE" and/or "the seller"), are made subject to the terms and condition set forth as stated below.

Prices – prices shall be as quoted and within the quotation validity period of 30 calendar days from quotation date, unless otherwise stated. Quotation shall be in written form and shall be not be a budgetary or reference quote. Changes in specification or design required by the customers can require changes in the price to reflect any additional work and/or materials.

Purchase Order Acceptance – Orders from the buyer are subject to acceptance by PPE within the confines of law. Portions of the order that are not in complete agreement with the sellers terms and conditions and quotation shall not be binding.

Credit Approval – PPE reserves the ultimate right to determine the credit worthiness of the buyer, and to refuse an order until mutually acceptable payment terms are agreed upon.

Cancellation of Order - Buyer may modify or cancel orders only upon written notice and payment of reasonable charges. Engineering work required for approval drawings is customarily 10% of order value.

Delivery Date – Delivery date shall be the date the equipment ships from the factory, or the date of hydrostatic test plus 2 days for units held by buyers request or other reasons for shipment delay.

Delays in Delivery – PPE shall have no liability for any liquidated damages of penalties whatsoever unless specifically agreed to in writing. Seller shall have no liability for any delay or failure to delivery if such delay or failure is a direct or indirect result of an accident, fire, war, act of god, embargo, political/government restriction or other event or entity interference that is beyond the direct control of PPE. Time amount of delays by the buyer in providing technical response or manufacturing release or issuance of progress payments shall be added to the delivery date. Substantial delays by the customer can incur additional cost which shall be added to the price and paid by the buyer. Should delay by the buyer require storage of finished or unfinished goods, such storage and transports and handling shall be to the risk of the buyer and shall be charged to the buyers account; in addition, the buyer will be immediately invoiced for percentage of completed work in direct proportion to the completion value.

Freight – Unless otherwise stated in the quotation, prices are ex-works, no freight allowance. All freight risk is assumed by the buyer unless otherwise stated in writing. All claims against shipping damage shall be made by the buyer to the shipping company and/or the insurance entity assuming such risk. Freight phraseology, and terminology are per Intercoms latest edition.

Terms of Payment – Unless otherwise stated in writing by PPE, payment against invoices shall be received by the seller not more than 30 calendar days from the invoice date. Late payment interest shall accrue at a simple rate of 1.5% per month and shall be added to past due amounts. If the buyers financial situation changes materially after an order is accepted, PPE reserves the right to amend the payment terms.

Taxes – Any tax or other government charges now, or hereafter levied upon the production, sale, use, or shipment of goods

ordered or sold shall be charged to and paid for by the buyer. Such taxes are not included in the quotation unless expressly stated in writing, and detailed as to what specific tax or charge is included.

Warranties – Except were a different warranty is issued for a particular and unique equipment item, no warranty of any kind, express or implied is extended by the seller to any person(s) or entity other than the direct buyer. To direct buyers, the seller warrants only that it will furnish by freight a replacement for, or at its option repair, any product sold, proved to the sellers satisfaction to be defective in material or workmanship under normal use and service within one year of introduction to use or 18 months from delivery date whichever shall be less.

Any substitution of parts not authorized by PPE, or any modification, tampering, or manipulation of the sellers product, shall void the warranty.

The seller shall have no responsibility for the performance of any product sold by it under conditions varying materially from those normally applied industrial standard testing, or from the design point associated with the quotation. The seller shall not be liable for any cost or expense, including but without limitation, expenses for removal and installation of replacement/repaired equipment, or alleged or actual defective equipment or part thereof. In no instance shall the seller be liable for extended or consequential or incidental damages of any kind. In no instance or circumstance shall the seller be liable for any damages beyond the price of the goods sold.

Any freight allowance for replacements or repairs of goods accepted by the seller as warranty, shall be in accordance with the original order in that freight allowance shall be granted for normal delivery of goods to the first destination.

Other Warranties – The foregoing warranty is in lieu of all other warranties of any kind, express or implied, and of all other obligations or liabilities, on the part of the seller. The seller neither assumes, nor does it authorize any person to assume on its behalf, any other warranty or liabilities on the part of the seller. PPE expressly disclaims the implied warranties of merchantability and fitness for a particular purpose.

Patents – Goods sold by PPE may be used by the buyer pursuant to such patent right as the seller has, and such goods do not, in and of themselves, do not infringe on any un-expired US or Canadian patents, whichever are applicable to the product sold hereunder, but the seller shall not be liable for any use of which any such goods may be part of a system, mechanism, and process covered by patent rights of others.

Test – If tests are requested or performed by the buyer to determine the performance of equipment covered by the sellers quotation, such test procedure shall be acceptable to the seller, and any expense of such test shall be the liability of the buyer.

Product changes – The seller reserves the right to make reasonable changes in products of any kind without notice, and to deliver revised designs or models against any orders, unless this right is waived in writing, such as approval drawings.

Variations – No claims for variances from shortage in orders shall be considered by the seller unless presented to it within 10 days of receipt of goods. Shipping weight is given as an estimate for the convenience of the buyer; and is not guaranteed by the seller.