

LONGWORTH INDUSTRIES, INC. STANDARD TERMS AND CONDITIONS

BY ORDERING LONGWORTH INDUSTRIES, INC. PRODUCTS ("PRODUCTS") FROM LONGWORTH INDUSTRIES, INC. AND ITS AFFILIATES ("LONGWORTH INDUSTRIES, INC."), YOU AGREE TO THESE STANDARD TERMS AND CONDITIONS. Any different, conflicting or additional terms in any purchase order, order acknowledgment, sales agreement, sales contract or other writing from you or many other writing from Longworth Industries, Inc. shall be void unless expressly agreed in writing and signed by an officer of Longworth Industries, Inc. stating plainly that you and Longworth Industries, Inc. intend it to serve as a substitution, modification or supplement to these Standard Terms and Conditions. These Standard Terms and Conditions shall comprise the exclusive terms, conditions, and agreements of the parties respecting sale of Products described herein and supersede any provisions on the face and reverse side of your order or any prior agreement inconsistent with the provisions hereof.

Orders. All sales are final. No order shall be processed without a purchase order and no order shall be final or binding until accepted and acknowledged in writing by Longworth Industries, Inc. to you. No cancellations of orders will be permitted within fewer than three days of acknowledged ship date except in the sole and exclusive discretion of Longworth Industries, Inc. and subject to payment of all applicable cancellation charges.

Shipment, Delivery, and Title. The dates of all planned shipments are estimated and not guaranteed. Longworth Industries, Inc. will arrange for shipment to Longworth Industries, Inc. of all Products (a) by UPS Standard Service for orders of 3,000 or fewer units and (b) by air freight forwarder for orders of more than 3,000 units; provided however, that Longworth Industries, Inc. will, upon request and at your sole cost, arrange for shipment by FedEx or UPS expedited service or other air freight service on a case-by-case basis. Longworth Industries, Inc. will not be deemed responsible for any liability in connection with any shipment because of the selection of a carrier or its failure to obtain insurance.

Taxes and Governmental Charges. Prices do not include any taxes or other governmental charges including, without limitation, value added sales (Longworth Industries, Inc. will charge local sales tax unless a sales tax exemption certificate is on file), use or privileges taxes or excise or similar taxes. At Longworth Industries, Inc.'s discretion, any such taxes and charges may be added to the price for any Products or may be billed separately. You agree, in any event, to pay all such taxes and charges on or before their due dates. In the event Longworth Industries, Inc. is required at any time to pay any such tax or charge, you agree to reimburse Longworth Industries, Inc. promptly on demand. If any governmental agency requires you to withhold any portion of the gross payment due to Longworth Industries, Inc., then such payment shall be increased by the amount of such withholding.

Availability and Pricing. All listings, specifications, availability, and prices related to Products are subject to change without notice. All prices will be prevailing rates upon placement of order, and, for deliveries scheduled more than sixty days from date of order, Longworth Industries, Inc. reserves the right to revise all prices to the prevailing rate upon shipment.

Terms of Payment. Longworth Industries, Inc. requires (a) prior to commencement of manufacture of your Products, receipt of a signed and dated preproduction virtual proof, a non-refundable deposit equivalent to fifty percent of the purchase price, and acceptable credit arrangements for the balance of the purchase price and (b) payment in full upon completion of manufacture of your Products (in the event of domestic manufacture) or arrival of your Products in the United States (in the event of foreign manufacture). Longworth Industries, Inc. may arrange payment terms, subject to credit approval by Longworth Industries, Inc., of net thirty days from date of invoice; provided, however, that Longworth Industries, Inc. shall be entitled, at any time and from time to time to require a prepaid cash balance equal to any unfulfilled orders, guaranteed irrevocable letter of credit, personal guaranty or other assurance of payment satisfactory to Longworth Industries, Inc. as a condition to acceptance of any order or shipment of any Products. All payments by you to Longworth Industries, Inc. shall be in U.S. Dollars fully net, without set-off, deduction for payment processing or counterclaim and, unless otherwise agreed to by Longworth Industries, Inc., shall be by check to be drawn on your corporate account at a national bank (provided that Longworth Industries, Inc. reserves the right to impose a \$25.00 service charge upon all returned checks), by electronic funds transfer pursuant to Longworth Industries, Inc. instructions or by Longworth Industries, Inc. draw upon a bank letter of credit satisfactory in form and substance to Longworth Industries, Inc.. Longworth Industries, Inc. accepts credit and procurement cards from American Express™, MasterCard™, and Visa™ pursuant to which you hereby waive any and all chargeback and similar rights and agree that the dispute resolution provisions of these Standard Terms and Conditions are exclusive. You hereby entitle Longworth Industries, Inc., upon execution of a Longworth Industries, Inc. Credit Card Authorization form, to charge the full invoice to your provided credit card if payment is not received upon the due date thereof.

Open Accounts. You must, if you wish to open a credit account, furnish all information requested by Longworth Industries, Inc.. Longworth Industries, Inc. reserves the right, in its sole and absolute discretion, to grant, refuse, reduce, suspend or discontinue any extensions of credit at any time. Longworth Industries, Inc. further reserves the right to cancel any order, require payment in advance or require provision of adequate assurance of performance, without any liability of Longworth Industries, Inc., in the event of insolvency, bankruptcy, appointment of a receiver or trustee or the execution of an assignment for the benefit of creditors.

Late Charges. If you fail to pay the price or any other payment due to Longworth Industries, Inc. promptly and when due, Longworth Industries, Inc. may require you to pay, in addition to the price or payment, interest thereon at a rate equal to the lesser of 1 1/2% per month and the maximum rate of interest allowable under applicable law, from the original due date until full payment has been made by you or on your behalf.

Grant of Security Interest. You hereby grant Longworth Industries, Inc. a security interest in all Products sold to you hereunder to secure due and punctual payment and performance of all of your obligations hereunder. You agree to execute all financing statements and other documents, and take all other actions, that Longworth Industries, Inc. may reasonably request to perfect, protect, continue or maintain such security interests.

Limited Warranty. Each Product manufactured and sold by Longworth Industries, Inc. is covered by the applicable limited warranty provided with the Product. If any Product covered under warranty is returned by you in accordance with Longworth Industries, Inc.'s return policy within the applicable warranty period, and, upon examination Longworth Industries, Inc. determines to its satisfaction that such Product was defective due to materials or workmanship within the specified warranty period, Longworth Industries, Inc. will, at its option, repair or replace the Product or the defective part thereof. Longworth Industries, Inc. may in its sole discretion refund the original purchase price of the Product to you. In no event will Longworth Industries, Inc. be responsible for damage to any Product resulting from accident, neglect, use of the Product other than in accordance with the applicable user documentation provided with the Product or resulting from installation, repairs or alterations made by any person or firm not duly authorized by Longworth Industries, Inc. in writing or for problems attributable to other products or services not provided by Longworth Industries, Inc..

Third Party Warranties. With respect to Products sold to you by Longworth Industries, Inc. but not manufactured by Longworth Industries, Inc. and unless otherwise indicated in the Longworth Industries, Inc. limited warranty included by Longworth Industries, Inc. with such Products, LONGWORTH INDUSTRIES, INC. MAKES NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT but will make available to you, to the extent permitted by law and applicable contracts, the warranties of the manufacturer of the Product upon your timely written request.

No Implied Warranties. THE WARRANTIES GIVEN IN THESE TERMS ARE THE ONLY WARRANTIES GIVEN BY LONGWORTH INDUSTRIES, INC. WITH RESPECT TO THE PRODUCTS AND ARE GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS. YOUR

EXCLUSIVE REMEDIES, AND LONGWORTH INDUSTRIES, INC.'S SOLE LIABILITY, FOR ANY NON-CONFORMITY OR DEFECT IN ANY PRODUCT SHALL BE THOSE EXPRESSED HEREIN.

Limitation of Liability. UNDER NO CIRCUMSTANCES SHALL LONGWORTH INDUSTRIES, INC.'S LIABILITY ARISING OUT OF OR IN CONNECTION WITH ANY ORDER OR OTHER AGREEMENT BETWEEN YOU AND LONGWORTH INDUSTRIES, INC. OR LONGWORTH INDUSTRIES, INC.'S PERFORMANCE OR ASSERTED FAILURE TO PERFORM HEREUNDER, IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE PURCHASE PRICE OF THE PRODUCT TO WHICH SUCH LIABILITY RELATES. IN NO EVENT SHALL LONGWORTH INDUSTRIES, INC. BE LIABLE FOR SPECIAL, INCIDENTAL, EXEMPLARY, CONSEQUENTIAL OR OTHER INDIRECT DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES RESULTING FROM LOSS OF USE, PROFITS, BUSINESS OR GOODWILL, WHETHER OR NOT Longworth Industries, Inc. HAS BEEN ADVISED OF THE POSSIBILITY THEREOF. This limitation of liability represents an allocation of risks between Longworth Industries, Inc. and you, which allocation is reflected in the purchase price for the Products.

Colors and Placements. Unless you provide us, upon placement of an order and in writing, with precise color specifications and placement specifications, we will utilize our reasonable judgment therefor, and, without limitation upon any other provision of these Standard Terms and Conditions, you waive and release us and all claims related thereto.

Returns. All sales are final. However, in the event of material defects in the Products, Longworth Industries, Inc. will issue authorization for the return thereof; provided, however, you must provide written notice to Longworth Industries, Inc. of any and all claims for shortage, material defect or non-receipt of Products within seven days of receipt thereof or invoice therefor. No Product will be accepted for return and no credit will be allowed on any returned Product without the prior written authorization of Longworth Industries, Inc. and the return of the Products in unused, undamaged and otherwise "as new" condition.

Non-Exclusive. Nothing contained within any order or other agreement between you and Longworth Industries, Inc. shall be construed to establish an exclusive relationship between you and Longworth Industries, Inc. within any territory or related to any Product.

Catalog Descriptions. All specifications, drawings and particulars of weights, dimensions, capacity or other details contained in the Longworth Industries, Inc. catalog (online and offline) are intended to give general descriptions of the Products but are not, and shall not be, part of any order or other agreement between you and Longworth Industries, Inc..

Governing Law; Venue. You and Longworth Industries, Inc. agree that the terms of purchase and sale of Products set forth herein shall be construed and interpreted pursuant to and governed by, the substantive laws of the State of North Carolina without regard to its conflicts of law principles and without regard to the United Nations Convention on Contracts for the International Sale of Goods. Any action, litigation or claim commenced or brought related to, arising out of or resultant from any order or sale of Products ("Litigation") shall be brought in the courts of the State of North Carolina, County of Moore, and you irrevocably submit to its exclusive jurisdiction in any Litigation, waive any objection that you may now or hereafter have as to venue or to convenience of forum, and agree not to bring any Litigation in any other court. You further hereby agree that process in any Litigation may be served on any Party anywhere in the world by overnight courier of national reputation (including, for example, FedEx or UPS).

Security Interest. Longworth Industries, Inc. shall be and is hereby is granted, until the purchase price for the Products is paid in full by you, a purchase money security interest in the Products and all proceeds thereof, and you further hereby authorize Longworth Industries, Inc. to file financing statements and other documents as Longworth Industries, Inc. may reasonably require in order to perfect its security interest. Longworth Industries, Inc. shall, with respect to the security interest, possess all rights and remedies of a secured party under the Uniform Commercial Code and other applicable law, which rights and remedies shall be cumulative and not exclusive.

Force Majeure. Longworth Industries, Inc. shall not, without limitation upon the generality of any other provision hereof, be liable for loss or damage caused by any delay or failure to perform resulting in whole or in part from Acts of God, severe weather conditions, labor disruptions, governmental decrees or controls, insurrections, terrorism, war, risks, shortages, inability to procure or ship Products or obtain permits and licenses, insolvency or other inability to perform by manufacturers of the Products, delay in transportation, any other commercial impracticability and or any circumstances beyond the reasonable control of Longworth Industries, Inc. in the ordinary course of its business operations; provided, however, that no force majeure event as hereinabove set forth shall extend or excuse payments of any sums owed by you at the time of the occurrence thereof or thereafter.

No Third Party Benefit. No provision of order or agreement between you and Longworth Industries, Inc. (including, but not limited to, these Standard Terms and Conditions) shall be construed as giving any person, firm, limited liability company, corporation or other entity, other than the Parties, and their respective successors and permitted assigns, any right, remedy or claim under or in respect to these Standard Terms and Conditions.

Attorneys' Fees. Longworth Industries, Inc. shall be entitled, in the event of (a) arbitration to enforce any provision of any order or agreement between you and Longworth Industries, Inc. or to resolve disputes related to any order or agreement between you and Longworth Industries, Inc., (b) litigation as hereinabove permitted or (c) litigation to enforce the decision of the arbitrator, to recover all costs, expenses, and damages (including, but not limited to, a reasonable fee for the service of attorneys employed for any purpose related to any order or other agreement between you and Longworth Industries, Inc. including, but not limited to, consultation, drafting documents, sending notices or instituting, prosecuting or defending litigation or arbitration as well as arbitration fees, attorneys' fees, court costs, and litigation expenses) that it incurs in event of any breach or default by you of any order or agreement between you and Longworth Industries, Inc..

Severability. Wherever possible, each provision of these Standard Terms and Conditions shall be interpreted in such a manner as to be effective and valid under applicable laws. In case any one or more of the provisions of these Standard Terms and Conditions shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such provision or provisions shall be ineffective to the extent, but only to the extent, of such invalidity, illegality or unenforceability without invalidating the remainder of such invalid, illegal or unenforceable provision or provisions or any other provisions of these Standard Terms and Conditions unless such a construction would be unreasonable.