

TERMS AND CONDITIONS

The terms and conditions stated below and in the body of this quotation (the "Quotation") will form part of any contract (the "Contract") between Delta Systems & Automation, Inc. ("Delta") and the customer (the "Customer") identified in the Quotation. No provision of Delta Systems & Automation, Inc. terms and conditions shall be subject to change in any manner except as agreed in writing by a duly authorized officer of Delta Systems & Automation Inc. These terms & conditions supersede any and all other agreements written or oral that may exist between the parties.

1. CONTRACT BETWEEN DELTA AND CUSTOMER

(I) QUOTATION: This Quotation is for the Customers' reference in placing an order with Delta. It is not in any way binding upon Delta and is subject to change or withdrawal without notice at any time before the Customer's order based on this Quotation is accepted by Delta. This Quotation may be modified only in writing and it supersedes all other quotations, if any, heretofore made with respect to the subject matter hereof. This Quotation is void at Delta's option unless the Customer's purchase order is received within thirty (30) days from the date shown above, unless otherwise stated in the Quotation

(II) CUSTOMER'S ACCEPTANCE: Acceptance of this Quotation by the Customer in any form will constitute Customer's acceptance of Delta's Quotation. Customer's acceptance is expressly conditioned on the mutual understanding that the terms and conditions of this Quotation shall apply and prevail over any inconsistent provisions of any such acceptance.

(III) CONTRACT: Customer's acceptance, together with the quotation and these terms and conditions will constitute the full text and provisions of the Contract by and between Delta and the Customer.

2. DELAYS: Delta shall not be liable for any delay in or inability to complete the modifications to, or manufacture of, the equipment identified in this Quotation (the "Equipment") or its shipment due to any of the following causes: Acts of God; acts of the public enemy; riot or civil commotion; government order, rules, regulations, suspensions or requisitions of any kind; strikes, lockouts or other stoppages of labor or shortage in the supply thereof; inability to obtain fuel, materials or parts; fire; casualties or accidents; failure of shipment facilities; or any other cause, whether of the same or of a different character, beyond Delta's control. In such event, the time for shipment of the merchandise shall be extended by a period equal to the time lost on account of any of the causes mentioned.

3. RISK OF LOSS: The risk of loss or destruction of, or damage to the Equipment from whatever cause shall be at Customer's risk. Customer shall fully insure the Equipment against all risk during the time the same is in Delta's possession until delivery to Customer, with the policies payable to Delta's benefit, as its interest appears. Supplier should not be liable to the buyer for any consequential or indirect losses including (not limited to) loss of profit or loss of production.

4. SHIPMENT: Unless otherwise specified, the Customer will be responsible for the cost of all crating, including associated labor and material, shipping and insurance of Equipment to and from Delta's warehouse in Rogers, Arkansas.

5. INSPECTION AND ACCEPTANCE: The Equipment covered herein shall be deemed finally inspected and accepted by the Customer upon shipment from Delta's warehouse. Delta's sole liability in the event of omissions, shortage or errors, which Customer must report to Delta within ten (10) days of shipment, will be the remaining payment due to Delta by the Customer under the terms of the Quotation.

6. CANCELLATIONS: Customers may terminate this Contract only upon written notice to Delta and only upon such terms as will indemnify and reimburse Delta for all loss or damage resulting there from, including, but not limited to, Delta's direct costs incurred, overhead, reasonable contract profits, costs and expenses to which Delta has become committed for fulfillment of the contract prior to cancellation. Delta shall have the right to terminate the Contract if, at any time, Customer does not strictly comply with all terms and conditions of the Contract (including, without limitations, any requirements of progress payments) or Customer becomes insolvent or commits any act of bankruptcy within the meaning of the United States Bankruptcy laws. In the event of such termination by Delta, Delta shall have the same rights of indemnification and reimbursement as set forth in the first sentence of the paragraph. Until the contract price, as stated in this Quotation, is paid in full, Delta shall retain a lien on the Equipment as security for payment of said price. Upon cancellation, Customer shall return all Intellectual Property delivered to it.

7. WARRANTIES:

(I) WARRANTY OF EQUIPMENT: Unless otherwise specified in the Quotation, Delta does not warrant equipment, parts or services.

(II) WARRANTY OF SOFTWARE AND INTELLECTUAL PROPERTY: Delta licenses the Software and the Intellectual property (collectively the "Licensed Product") for the use by the Customer in an AS IS condition on the day it is accepted by the Customer. Customer's remedy is limited to the correction of errors and/or omissions in the Licensed Product, which are reported to Delta in writing by the Customer. All such corrections shall be made at Customer's expense and shall be charged at Delta's customary rates for such services.

"EXCEPT FOR THOSE WARRANTIES SPECIFICALLY CONTAINED HEREIN, DELTA DISCLAIMS ANY AND ALL WARRANTIES WITH RESPECT TO THE EQUIPMENT, SOFTWARE AND INTELLECTUAL PROPERTY DELIVERED HEREUNDER, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR USE. THE SOLE LIABILITY OF DELTA ARISING OUT OF THE WARRANTY CONTAINED HEREIN SHALL BE EXCLUSIVELY LIMITED TO THE BREACH OF THOSE WARRANTIES. THE SOLE AND EXCLUSIVE REMEDY FOR THE BREACH OF THE WARRANTIES SET OUT ABOVE SHALL BE LIMITED TO THE REPAIR OR REPLACEMENT OF ANY DEFECTIVE ACCESSORY, PART OR MATERIAL WITH A SIMILAR ITEM FREE FROM DEFECT AND THE CORRECTION OF ANY DEFECT IN WORKMANSHIP. IN NO EVENT SHALL DELTA BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES OF ANY KIND OR NATURE."

8. DUTY AND TAXES: Unless otherwise agreed, the price stated in this Quotation does not include any duties, excise, sales, use or other tax. The amount of any such taxes, whether imposed on the customer or Delta, which are payable, in accordance with the

provisions of any statute or rules, regulations or decisions of any taxing authority, will be paid by Customer, either directly to the taxing authority or by reimbursing Delta for the amount of such tax shown on its invoice. If Customer claims exemption from any sales, use or similar tax imposed by any taxing authority, Customer will save Delta harmless from any such tax, together with any interest, fines or penalties thereon which may, at any time, be assessed against it by reason of the fact that such Equipment is held to be taxable by the taxing authority.

9. SAFETY DEVICES: Delta will supply such safety devices that are specifically included in the Quotation or specifically defined and described in detail in the Customer's purchase order and accepted by Delta. Excepting these, Delta will not be required to supply or install any safety devices, whether required by the use of the Equipment, by law, including but not limited to, requirements and interpretations of the Federal Department of Labor, Occupational Safety and Health standards, or otherwise. Further, Customer assumes responsibility for the operation of the Equipment in accordance with sound safety practices.

10. PRODUCT LIABILITY: The modifications made to the Equipment under this contract will be performed at and to the Customer's specifications. It will contain safety features specifically requested by the Customer. The operation of the Equipment will be outside of Delta's control and is the responsibility of the Customer. The Customer agrees to indemnify, defend (at its own expense with counsel satisfactory to Delta) and hold Delta harmless from any and all claims, demands, liabilities, causes of action, suits, costs and expenses of any kind or nature (including attorney's fees) for all loss or damage which may be suffered as a result of injury to persons (including death) and property from the use or misuse of the Equipment.

11. INTELLECTUAL PROPERTY: Customer acknowledges that, notwithstanding anything to the contrary in the Contract, all rights (ownership, marketing, selling, use of and otherwise) to any software, mechanical and electrical designs and drawings, technical documentation, or other intellectual property ("Intellectual Property") provided by Delta under this Quotation are retained by Delta. Delta expressly retains all such rights under all Contracts for goods and services, including, without limitation, Contracts for the provision of engineering and technical services. Any transfer of Intellectual Property rights from Delta to the Customer will require the prior written approval of Delta's Board of Directors. Customer will not make the Intellectual Property available to any third party, either in whole or in part, nor use or permit the use of same for purposes other than those identified in the Quotation. Customer agrees not to copy, reproduce or transmit to others any Intellectual Property without prior written permission of Delta. All Intellectual Property shall be returned to Delta upon termination, cancellation, or completion of the Contract or the license agreement.

The price specified in the Quotation includes a software license fee. Unless otherwise specified in the Quotation, Customer is granted a license and acquires only the right to use (the "Software") on a single computer installed for the purpose of operating on a single unit of the Equipment, where the Equipment is comprised of several similar operating units. Customer agrees not to copy (except for backup purposes only), sell, distribute, sub license, or modify for use on additional computers, any portion of the Software or the Intellectual Property.

Customer represents to Delta that the Customer is the owner of the Equipment, where the Contract relates to the modification or upgrading of existing Customer equipment, and warrants to Delta that any work to be done on the Equipment, as specified in this Quotation, will not infringe upon the proprietary interests of any third party in the equipment including but not limited to patents, applications for patents, trademarks, trade secrets, copyrights, licenses, etc. Customer agrees to hold Delta harmless from any action or claim of infringement and to indemnify Delta for any judgment and costs incurred by it as a result of such action, including litigation expenses and reasonable attorney fees.

12. PATENTS: In the event any patent infringement suit is threatened or instituted against Purchaser by reason of the use of equipment herein ordered, the purchaser agrees to notify Seller, in writing within one week of such occurrence. On receipt of this notice, Seller agrees to, at its expense, replace or modify the machinery to correct the infringement or secure rights to continued use of the machinery by the Purchaser or defend such suit on behalf of the purchaser or remove the equipment and refund purchase price less a use factor of 20% per year from date of Installation. In the event, total liability of the Seller shall not exceed the selling price of the equipment involved in the infringement.

13. CONFIDENTIALITY: Customer agrees that it will hold in strictest confidence and will not use, except for the benefit of the Customer, or disclose to any person, firm or corporation any Confidential Information previously or hereafter disclosed to Customer by Delta or otherwise acquired by Customer in connection with this Contract. As used herein, "Confidential Information" means any trade secrets, confidential knowledge, data or other proprietary information relating to products, services, processes, know how, designs, formulas, developments or experimental work, inventions, computer programs, data bases, original works, or authorship, customer lists, business plans, financial information or other subject matter pertaining to Delta and/or any businesses, operations, activities or plans of Delta or its clients, consultants or contractors except and to the extent that any such information through no fault of Customer's has become, or hereafter becomes, public knowledge within the industry or, as evidenced by contemporaneous writings, has been or is hereafter received by Customer from a third party without breach of any duty or confidentiality by such third party.

14. ENTIRE AGREEMENT: When this Quotation is accepted by Customer and the Customer's purchase order is accepted by Delta, these shall constitute the entire agreement and there are no oral or other representations or agreements outside of this agreement. Neither party shall assign the agreement or any interest herein without the prior written consent of the other.

15. GOVERNING LAW: The validity, construction, effect, execution and performance of this agreement shall be governed by the laws of the State of Arkansas. If any provision or provisions of this agreement shall be held to be illegal or unenforceable, the legality, validity or enforceability of the remaining provisions shall not be in any way affected or impaired thereby.