TERMS AND CONDITIONS OF SALE

1. APPLICABILITY. These Terms and Conditions of Sale ("Terms") apply to the purchase of goods ("Goods") and services ("Services") by Avani Environmental International, Inc. ("Seller") and the buyer ("Buyer"), which is identified in the accompanying quotation, proposal, or order acknowledgement (the "Sales Quote"). These Terms and the Sales Quote comprise the entire agreement between the parties (collectively, the "Agreement"). Buyer accepts these Terms by signing and returning Sales Quote, by sending a purchase order in response to the quotation, or by Buyer's instructions to Seller to ship the Product or perform the Services. No terms, conditions or warranties other than those identified in the quotation and no agreement or understanding, oral or written, in any way purporting to modify the terms and conditions whether contained in Buyer's purchase order or shipping release forms, or elsewhere, shall be binding on Seller unless hereafter made in writing and signed by Seller's authorized representative. Buyer is hereby notified of Seller's express rejection of any terms inconsistent with these Terms or to any other terms proposed by Buyer in accepting Seller's quotation. Neither Seller's subsequent lack of objection to any terms, nor the delivery of the products or services, shall constitute an agreement by Seller to any terms.

2. CANCELLATION. Cancellation or modifications of all or part of any order are subject to Seller's prior written consent in each instance. If cancellation or modification is allowed, Buyer agrees to pay to Seller all expenses incurred and damage sustained by Seller on account of the cancellation or modification, plus a reasonable profit.

3. PRICE. Prices in any Sales Quote from Seller are subject to change after ninety (90) days and upon written notice sent to Buyer before the Sales Quote has been accepted. All stated prices are exclusive of any taxes, fees, duties, and levies, however designated or imposed, including but not limited to value-added and withholding taxes that are levied or based upon the amounts paid under this Agreement (collectively, "Taxes"). All prices are quoted in US dollars. Any Taxes related to the Goods or Services purchased pursuant to this Agreement are the responsibility of Buyer (excluding taxes based on Seller's net income), unless Buyer presents an exemption certificate acceptable to Seller and the applicable taxing authorities. If possible, Seller will bill Taxes as a separate item on the invoice presented to Buyer. If any exemption certificate presented by Buyer is held to be invalid, then Buyer will pay Seller the amount of the Tax and any penalties and interest related thereto.

4. PAYMENT. Unless otherwise set forth in the Sales Quote, Buyer will pay all invoiced amounts within thirty (30) days following the date of Seller's invoice. For custom orders or projects Seller will invoice 35% with receipt of a purchase order from Buyer, 35% upon shipment of the Goods and 30% upon receipt of the Goods or completion of the Services. For international custom orders Seller will invoice 50% with receipt of a purchase order from Buyer, and 50% upon shipment of the Goods. Unpaid amounts will accrue interest at a rate equal to the lesser of one and one-half percent (1.5%) per month and the maximum rate permitted by applicable law, from due date until paid, plus Seller's reasonable costs of collection. Seller reserves all other rights granted to a seller under the Uniform Commercial Code ("UCC") for Buyer's failure to pay for the Goods or any other breach by Buyer of these Terms. In addition to all other remedies available to Seller (which Seller does not waive by the exercise of any rights hereunder).

5. DELIVERY; SHIPPING. (a) Seller will ship the Goods within one week receiving Buyer's purchase order for stock items, and for non-stock items eight (8) to twelve (12) weeks from receipt of Buyer's purchase order, subject to their availability. Deliver of customized Goods or Services will be mutual agreed upon between the parties. Seller will not be liable for any delays, loss, or damage in transit, and failure to deliver within the time estimated will not be a material breach of contract on Seller's part.

(b) Unless otherwise agreed in writing by the parties, Seller will deliver the Goods, FCA (Incoterms 2010) manufacturer at the location specified in the Sales Quote (the "Delivery Location"), using Seller's standard methods for packaging and shipping same. Seller may, in its sole discretion, without liability or penalty, make partial shipments of Goods to Buyer. Each shipment will constitute a separate sale, and Buyer will pay for the units shipped whether the shipment is in whole or partial fulfillment of Buyer's purchase order. Buyer is responsible for obtaining any import licenses and other consents required for a Goods shipment at its own expense, and will provide the licenses and consents to the Seller before shipment. Buyer will pay or reimburse Seller for the cost of specialized packaging beyond Seller's standard packaging including packing for export and charges assessed for the use of specialized equipment (lift gates, soft-tops, etc.) to ship Goods.

(c) Fume collection equipment and components, with limited exception, are shipped via freight carriers using enclosed trailers. It is the sole responsibility of the Buyer to provide one or more of the following to ensure an expedient and safe offloading of the order. The typical requirements include a loading dock at trailer height with transition platform, forklift, pallet jack or any other industry accepted standard.

6. TITLE; RISK OF LOSS. Risk of loss or damage passes to Buyer passes upon delivery to the carrier. Title passes to Buyer upon Buyer's payment in full for the Goods.

7. INSTALLATION/PROJECTS. On installation project Seller is not responsible for the following:

(a) Demolition (cement walls, roof penetration, sealing, etc.), electrical or other work that requires special permits or licensing is not included in the price.

(b) All rental equipment: such as but not limited to forklifts, cranes, scissor lifts, jig, etc. Rental equipment charges optional $1000 per day.

(c) Electrical wiring, compressed airlines or other components that connect to the Goods.

(d) Any type of permits required for installation, testing or running the Goods.

(e) Unloading of the Goods when it arrives.

(f) Storage or any loss or damage Goods as a result of being stored.

(g) Seismic requirement and/or calculations are not included.

8. INSPECTION; REJECTION OF GOODS. (a) As used in this Section 7, "Nonconforming Goods" means only the following: (i) the items shipped are different from those identified in Buyer's purchase order; or (ii) the labels or packaging of the items incorrectly identifies them. Buyer will inspect the Goods within three (3) days following receipt thereof (the "Inspection Period"). The Goods will be deemed accepted at the end of the Inspection Period unless Buyer notifies Seller in writing of any Nonconforming Goods and furnishes Seller with written evidence or other documentation reasonable required by Seller.

(b) If Buyer timely and properly notifies Seller of any Nonconforming Goods, then Seller will, in its sole discretion, (i) replace the Nonconforming Goods with conforming Goods or (ii) credit or refund the purchase price for the Nonconforming Goods, together with any reasonable shipping and handling expenses incurred by Buyer. At Buyer's request, Buyer will purchase the Nonconforming Goods or return the Nonconforming Goods
LIMITED WARRANTY.
(a) Seller warrants to Buyer that the Goods and Services will be free from defects in material and workmanship for a period of twelve (12) months following the date of shipment to the Delivery Location (the "Warranty Period"). Notwithstanding the foregoing, the Warranty Period for consumable Goods will in no event exceed recommended replacement intervals set forth in the published specifications and instructions provided by Seller or its suppliers or subcontractors Instructions ("Instructions"). If, prior to the expiration of the Warranty Period, Buyer informs Seller of any breach of this limited warranty, then Seller may repair or replace the Goods or correct the Services that gave rise to the breach or, in Seller's sole and exclusive discretion, refund the amounts that Buyer paid for the Goods and Services.
(b) The foregoing limited warranties do not apply to (i) any defect in Goods not manufactured by Seller; and (ii) any Goods manufactured according to Buyer's specifications.
(c) Buyer will bear the costs of access, de-installation, re-installation and transportation of the Goods to Seller and back to Buyer. Any repair or replacement pursuant to this limited warranty will not extend the Warranty Period. Seller does not warrant the Goods, or any repaired or replacement parts, against normal wear and tear or corrosion. This limited warranty and remedy are expressly conditioned upon: (i) Buyer's payment of the purchase price in full, (ii) Buyer giving written notice of the defect, reasonably described, to Seller within ten (10) days of the time when Buyer discovers or ought to have discovered the defect, (iii) the storage, installation, operation, use, and maintenance of the Goods in compliance with the user manuals (iv) the existence of proper records of Buyer's operation and maintenance of the Goods during the Warranty Period. (v) Buyer has the Goods in the original configuration and has use original spare parts when serving or repairing the Good, (vi) Buyer must have Seller's approval before returning the Goods, and (vii) all returned Goods must have a RGA and case number when the Goods are shipped back.
(d) the remedies set forth in this section 8 are buyer's sole and exclusive remedies for any failure of seller to comply with its obligations under this agreement, including any breach of the limited warranty set forth in this section 8. Seller makes no other warranties of any kind, express or implied, of any kind, and seller disclaims all other warranties whatsoever, including but not limited to any implied warranties of merchantability and fitness for a particular purpose.

10. INDEMNIFICATION.
(a) Buyer will defend, indemnify, and hold harmless Seller and its parent company, their respective subsidiaries, affiliates, successors, and assigns and their respective directors, officers, shareholders, and employees from and against any loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost, fees (including import and export customs fees), or expense (including reasonable attorney and professional fees and costs, and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers) ("Claims") arising out of or occurring in connection with the negligence or willful misconduct of Buyer or its employees or agents, including but not limited to: (i) any misuse or modification of the Goods or Services by Buyer or its employees or agents; (ii) any act (or failure to act) by Buyer or its employees or agents in contravention of any safety procedures or instructions that Seller provides to Buyer or its employees or agents, or (iii) the failure to store, install, operate, or maintain the Goods in accordance with the Instructions.
(b) Seller will defend, indemnify, and hold harmless Buyer and its subsidiaries, affiliates, successors, and assigns and their respective directors, officers, shareholders, and employees from and against any Claims arising out of or occurring in connection with the negligence or willful misconduct of Seller or its employees or agents.

11. INFRINGEMENT.
(a) Seller will defend, at its own expense, any action against Buyer brought by a third party to the extent that the action is based upon a claim that the Goods infringe any U.S. patents or copyrights, or misappropriate any trade secrets, of a third party. Seller will pay those costs and damages finally awarded against Buyer in any the action that are specifically attributable to the claim or those costs and damages agreed to in a monetary settlement of the action.
(b) The foregoing obligations are conditioned on Buyer (i) notifying Seller promptly in writing of the action, (ii) making no admission of liability and giving Seller sole control of the defense thereof and any related settlement negotiations, and (iii) cooperating and, at Seller's request and expense, assisting in the defense.
(c) If the Goods become, or in Seller's opinion are likely to become, the subject of an infringement claim, Seller may, at its option and expense, either (i) procure for Buyer the right to continue using the Goods, (ii) replace or modify the Goods so that they become non-infringing, or (iii) accept return of the Goods and refund Buyer the amounts actually paid by Buyer to Seller for the Goods.
(d) Notwithstanding the foregoing, Seller will have no obligation under this Section 10 or otherwise with respect to any infringement claim based upon any: (i) misuse or modification of the Goods by Buyer or its employees or agents; (ii) use of the Goods in combination with other materials, goods, products, or services for which the Goods were not intended to be used, (iii) failure of Buyer to implement any update provided by Seller that would have prevented the claim, (iv) Goods that Seller made to Buyer's specifications or designs.
(e) THIS SECTION 10 STATES SELLER'S ENTIRE LIABILITY AND BUYER'S EXCLUSIVE REMEDY FOR INFRINGEMENT CLAIMS AND ACTIONS.

12. LIMITATIONS OF LIABILITY.
(a) In no event will seller be liable for any indirect, special, incidental, exemplary, or consequential damages, including but not limited to any loss of use or under-utilization of labor or facilities, downtime, loss of revenue or anticipated profits, and costs of procurement of substitute goods, regardless of the form of action, whether in contract, tort, or otherwise, even if Seller has been advised of the possibility of the damages.
(b) Except for death or bodily injury resulting from seller's negligence or willful misconduct, seller's total liability for all claims arising out of, or relating to, the goods will be limited to general money damages in an amount not to exceed the total purchase price for the purchase order giving rise to the claim.

13. CHANGES. No change to the Terms applies unless agreed in writing by Buyer and Seller.
14. **TERMINATION.** In addition to any other remedies that Seller may have, Seller may terminate this Agreement with immediate effect upon written notice to Buyer, if Buyer: (i) fails to pay any amount when due under this Agreement and the failure continues for five (5) days after Buyer’s receipt of written notice of nonpayment; (ii) has not otherwise performed or complied with any of these Terms, in whole or in part; or (iii) becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors.

15. **CONFIDENTIALITY.** All non-public, confidential, or proprietary information of Seller, including but not limited to specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, that Seller discloses to Buyer, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and regardless of whether marked, designated, or otherwise identified as “confidential,” in connection with the Agreement is confidential, solely for the use of performing the Agreement, and may not be disclosed or copied unless authorized in advance by Seller in writing. Upon Seller’s request, Buyer will promptly return all documents and other materials received from Seller. Seller will be entitled to injunctive relief for any violation of this Section 14, without having to post bond or establish the insufficiency of a remedy at law. This Section 15 does not apply to information that is: (a) in the public domain; (b) known to Buyer at the time of disclosure; or (c) rightfully obtained by Seller on a non-confidential basis from a third party.

16. **FORCE MAJEURE.** Seller will not be liable for any failures or delays caused by strikes, differences with workers, or any causes beyond the reasonable control of Seller, including but not limited to fires, floods, accidents, action of any governmental authority, war, insurrection or riots, or shortages of labor, energy, raw materials, production facilities, or transportation. Where delays or failures are caused by labor difficulties, Seller will not be obligated to seek or obtain any settlement that, in Seller’s sole judgment, is not in Seller’s best interest.

17. **COMPLIANCE.** Each party will comply with all applicable laws, regulations, and ordinances, and Buyer will comply with the export and import laws and regulations in effect as of the date of shipment of the Goods of any country involved in the transactions contemplated by these Terms.

18. **GOVERNING LAW; VENUE; DISPUTE RESOLUTION.**

(a) All matters arising out of or relating to this Agreement is governed by and construed in accordance with the internal laws of the State of North Carolina without giving effect to any choice or conflict of law provision or rule (whether of the State of North Carolina or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of North Carolina. Any legal suit, action or proceeding arising out of or relating to these Terms will be instituted in the federal or State courts located in the City of Raleigh, North Carolina. Each party irrevocably submits to the exclusive jurisdiction of the courts in any the suit, action or proceeding.

(b) The United Nations Convention on Contracts for the International Sale of Goods does not apply to the Agreement or the documents related thereto.

(c) Seller will have the sole and exclusive right to determine whether any dispute, controversy or claim arising out of or relating to the Agreement, or the breach thereof, will be submitted to a court of law or arbitrated. The venue for any the arbitration will be in Raleigh, North Carolina. The arbitrator’s award may be confirmed and reduced to judgment in any court of competent jurisdiction. In the event the matter is submitted to a court, Seller and Buyer hereby agree to waive their right to trial by jury and covenant that neither of them will request trial by jury in any the litigation.

19. **SURVIVAL.** In addition to any other term whose context may so require, the terms contained in Sections 1, 4, 6, 7, 8, 9, 10, 11, 14, 17, 18, and 19 will survive any cancellation of the purchase order.

20. **MISCELLANEOUS.**

(a) Buyer acknowledges that is has not been induced to purchase any the Goods from Seller by any representation or warranty not expressly set forth in this Agreement.

(b) These Terms and the Sales Quote constitute the entire Agreement of the parties and supersede all existing agreements and all other oral or written communications between them concerning its subject matter. None of the Terms may be added to, modified, superseded, or otherwise altered, except by a written document signed by an authorized representative of Seller that specifically references the Agreement and states that it modifies them.

(c) If there is a conflict between the provisions of the Sales Quote and these Terms, then the terms of the Sales Quote will govern.

(d) No waiver by Seller of any of the provisions of the Agreement is effective unless explicitly set forth in writing that specifically references these Terms and is signed by Seller.

(e) No failure to exercise, or delay in exercising, any rights, remedy, power, or privilege arising from the Agreement operates or may be construed as a waiver thereof. No single or partial exercise of any right, remedy, power, or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

(f) The Section headings contained in these Terms are for convenience only and will not affect the interpretation of any provision.

(g) If any provision of this Agreement is held to be prohibited or unenforceable, the provision will be changed and interpreted to accomplish the objectives of the provision to the greatest extent possible under applicable law and the remaining provisions will continue in full force and effect.

(h) Buyer will not assign any quotation or accepted order for the Goods, in whole or in part, without Seller’s prior written consent.

(i) Unless mentioned above, all tenders and contracts for the performance of deliveries are governed by the ORGALIME General Conditions for the supply of mechanical, electrical and electronic products (S2012) of March 2012. Any other conditions are herewith explicitly rejected by Seller.