

Terms & Conditions of Sale

1. General

Diamond Technology Innovations, Inc, (hereinafter referred to as "Company") desires to sell the products, parts, services and or supplies ("Products") described on the reverse side of this Sales Order Acknowledgment ("SOA") to the Buyer listed on the SOA ("Buyer") and Buyer desires to purchase from Company the Products for the price shown on the SOA ("Purchase Price") in accordance with the terms and conditions described in this Agreement and the SOA (collectively the "Agreement"). The Purchase Price shall be payable on the terms described on the SOA.

2. Title and Risk of Loss

Title and risk of loss or damage to the Products shall pass to the Buyer upon tender of delivery F.O.B. manufacturing facility unless otherwise agreed upon by the parties, except that a security interest in the Products shall remain in the Company, regardless of mode of attachment to realty or other property, until full payment has been made. Buyer agrees upon request to do all things and acts necessary to perfect and maintain said security interest and shall protect Company's interest by adequately insuring the Products against loss or damage from any cause wherein the Company shall be named as an additional insured.

3. Assignment

Neither party shall assign or transfer this Agreement without the prior written consent of the other party. The Company however shall be permitted to assign or transfer, without the prior written consent of the Buyer, the Company's right to receive all or any portion of the payment due from the Buyer under this Agreement.

4. Delivery, Delay and Compliance with Laws

Delivery dates shall be interpreted as estimates and in no event shall dates be construed as falling within the meaning of 'time is of the essence'. The Company shall not be liable for any loss or delay due to war, riots, fire, flood, strikes or other labor difficulty, acts of civil or military authority including governmental laws, orders, priorities or regulations, acts of the Buyer, embargo, car shortage, damage or delay in transportation, inability to obtain necessary labor or materials from usual sources, faulty forgings or castings, or other causes beyond the reasonable control of the Company. In the event of delay in performance due to any such cause, the date of delivery or time for completion will be adjusted to reflect the actual length of time lost by reason of such delay. The Buyer's receipt of Products shall constitute a waiver of any claims for delay. The Buyer shall be responsible for compliance with any local governmental laws or regulations relating to the location, use or operation of the Products, or its use in conjunction with other equipment.

5. Taxes

The Purchase Price is exclusive of any sales, use or privilege tax, customs duty or import, excise tax based on gross revenue or any similar tax or charge which might be levied as a result of the production, sale or shipment of any Products or the use of any Products by Buyer. Buyer agrees to pay and otherwise be fully responsible for any such taxes (except for taxes based on the net income of Company). Any personal property taxes assessable on the Products after delivery shall be borne by Buyer. Company shall have the right, but shall not be obligated, to pay any such taxes directly, in which event Buyer shall promptly reimburse Company in the amount thereof upon presentation by Company of evidence of payment.

6. Setoffs

Neither Buyer nor any affiliated company or assignee shall have the right to claim compensation or to set off against any amounts which become payable to the Company under this Agreement or otherwise.

7. Patents

The Company shall defend any suit or proceeding brought against the Buyer and shall pay any adverse judgment entered therein so far as such suit or proceeding is based upon a claim that the use of the Products manufactured by the Company, and furnished under this Agreement constitutes infringement of any patent of the United States of America, provided the Company is promptly notified in writing and given authority, information and assistance for defense of same; and the Company shall, at its option, procure for the Buyer the right to continue to use said Products, or to modify it so that it becomes non-infringing, or to replace the same with non-infringing Products, or to remove said Products and to refund the Purchase Price. The foregoing shall not be construed to include any agreement by the Company to accept any liability whatsoever with respect to patents for inventions other than the Products, or with respect to patents for methods and processes to be carried out with the aid of said Products. The foregoing states the entire liability of the Company with regard to patent infringement.

8. Warranty

Company warrants to Buyer that, for a period of ninety (90) days from the date of placing the Products in operation ("Warranty Period") the Products will be free from defects in materials ("Limited Warranty"). Company's obligation under this Limited Warranty is limited, at Company's option, to repairing or replacing, at Company's option, at Company's facility or at the location of the Products, any Products or parts thereof that Company determines not to conform to this Limited Warranty. Buyer shall promptly notify Company in writing of any alleged defects in the Products and specifically describe the problem. Company shall have no obligations under this Limited Warranty with respect to any defect unless it receives notice and a description of such defect no later than the expiration of the Warranty Period. Upon receipt of such notice, Company shall either advise Buyer that warranty service shall be provided at the location of the Products or shall instruct Buyer as to the part or parts of the Products that Buyer shall ship back to Company for repair or replacement. Company will pay the costs of transporting repaired or replaced Products back to Buyer and will reimburse Buyer for costs of transporting Products to Company which Company determines to have been defective; otherwise, Buyer shall pay all costs of transportation in both directions. The Company shall not be liable for any repairs, replacements, or adjustments to the Products or any costs of labor performed by the Buyer or others without the Company's prior written approval. The Limited Warranty shall not apply to any Products which have been: (a) used, stored maintained or operated in a manner inconsistent with the use intended by Company or standards in the industry; (b) modified or repaired by anyone other than Company personnel or Company's authorized service representatives in a manner which adversely affects its operations or reliability; (c) damaged because of accident, neglect or misuse by anyone other than Company personnel, failure or surge of electrical power, air conditioning or humidity control, transportation, or other causes other than ordinary use; (d) to the extent the problems with the product were caused in whole or in part by corrosion, erosion and normal wear and tear; or (e) damaged because of impacts from on/off cycles, metal debris from high pressure lines, or abrasive particles that collide with the orifice edges. THE FOREGOING WARRANTIES APPLY ONLY TO THE ORIGINAL BUYER AND ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. The correction by the Company of nonconformities whether patent or latent, in the manner and for the period of time provided above, shall constitute fulfillment of all liabilities of the Company for such nonconformities, whether based on contract, warranty, negligence, indemnity, strict liability or otherwise with respect to or arising out of such Products. The Buyer shall not operate Products which are considered to be defective, without first notifying the Company in writing of its intention to do so. Any such use of Products will be at the Buyer's sole risk and liability.

9. Limitation of Liability

THE REMEDIES OF THE BUYER AND THE LIMITED WARRANTY SET FORTH HEREIN ARE EXCLUSIVE, AND REPRESENT THE TOTAL LIABILITY OF THE COMPANY WITH RESPECT TO THE PRODUCTS, AND THE MANUFACTURE, SALE, DELIVERY, INSTALLATION, REPAIR OR TECHNICAL DIRECTION OF THE PRODUCTS REGARDLESS OF WHETHER SAID LIABILITY IS BASED IN CONTRACT; WARRANTY, NEGLIGENCE, INDEMNITY, STRICT LIABILITY OR OTHERWISE. THE BUYER AND COMPANY AGREE THAT THE COMPANY'S LIABILITY RELATING TO THE PRODUCTS SHALL NOT EXCEED THE PURCHASE PRICE OF THE UNIT OF PRODUCTS UPON WHICH SUCH LIABILITY IS BASED. THE COMPANY AND ITS SUPPLIERS SHALL NOT BE LIABLE TO THE BUYER, ANY SUCCESSORS IN INTEREST OR ANY BENEFICIARY OR ASSIGNEE OF THIS AGREEMENT FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL OR PUNITIVE DAMAGES ARISING OUT OF THE PRODUCTS, THIS AGREEMENT OR ANY BREACH THEREOF, OR ANY DEFECT IN, OR FAILURE OF, OR MALFUNCTION OF THE PRODUCTS, WHETHER BASED UPON LOSS OF USE, LOST PROFITS OR REVENUE, INTEREST, LOST GOODWILL, WORK STOPPAGE, IMPAIRMENT OF OTHER PRODUCTS, LOSS BY REASON OF SHUTDOWN OR NON-OPERATION, INCREASED EXPENSES OF OPERATION, COST OF PURCHASE OF REPLACEMENT POWER OR CLAIMS OF BUYER OR CUSTOMERS OF BUYER FOR SERVICE INTERRUPTION AND WHETHER OR NOT SUCH LOSS OR DAMAGE IS BASED ON CONTRACT, WARRANTY, NEGLIGENCE, INDEMNITY, STRICT LIABILITY OR OTHERWISE.

10. Nuclear Liability

In the event that the Products sold hereunder are to be used in a nuclear facility, the Buyer shall, prior to such use, arrange for insurance or governmental indemnity protecting the Company against liability and hereby releases and agrees to indemnify the Company and its suppliers for any nuclear damage, including loss of use, in any manner arising out of a nuclear incident, whether alleged to be due, in whole or in part due to the negligence of the Company or its suppliers.

11. General Provisions

The rights and obligations of the parties shall be governed by the laws of the state of Washington excluding any conflicts of law provisions. The United Nations Convention on Contracts for the International Sale of Products shall not apply to this Agreement. The Company shall not be bound by any contract or any modification thereto until approved in writing by an officer of the Company. The Agreement, when so approved shall supersede all previous communications, either oral or written.

12. Over or Under-Shipment Notice

Unless Company is otherwise instructed, the allowance for over-shipment and under-shipment shown below will prevail on all orders for Company manufactured, non-stock, and blue print products.

| No. of Pieces Ordered | 1-4 | 5-9 | 10-24 | 25-49 | 50 or over |
|-------------------------|-------|------|-------|-------|------------|
| Plus or Minus Allowance | 0 pcs | 1 pc | 2 pcs | 3 pcs | 10% |

Non-stock industrial supply Products will be billed in accordance with the quantity shipped to Buyer. For all Products, over or under-shipments will not change the unit price. Buyer's claims for shortages, including proof of delivery requests, shall be made in writing no more than thirty (30) days after receipt of the Products or the date of invoice, whichever event occurs first.