

STANDARD TERMS AND CONDITIONS OF SALE

1. General

These Terms and Conditions of Sale shall be binding whenever declared applicable in the offers and order contracts of Geobruigg North America (hereafter referred to as Seller). Any of the Purchaser's conditions which are contrary thereto shall only be valid when accepted in writing by Seller.

2. Validity of Quotation

Proposals of Seller are valid for thirty days from date of proposal and must be accepted in writing within this time. After expiration of this period, the offer is at an end, but Seller may at its discretion, extend time of offer or make a revised offer. Clerical or typographical errors are always subject to correction.

3. Price

Seller reserves the right to change prices quoted at any time prior to acceptance by Purchaser. Purchaser will be notified of price changes during term of offer but prior notification is not a prerequisite of price change. Unless otherwise agreed, prices shall be considered to be denominated in freely disposable US dollars, FOB customer and exclusive of any customs and duties. Offers from Seller shall be without engagement unless an order contract has been issued.

4. Price Adjustments

Seller reserves the right to adjust prices in accordance with the market conditions prevailing at the time of actual shipment 1) for equipment specially manufactured to Purchaser's specification and requiring more than 12 months for delivery details to be established by written agreement at time of order, and 2) when shipment is delayed due to lack of necessary information from Purchaser or at Purchaser's request.

5. Technical Documents

Technical documents shall serve as an approximate indication only, unless they have been specified as binding. Seller reserves the right to make any alterations considered necessary. Technical documents are to be treated in confidence by Purchaser and remain the exclusive property of Seller. They may be used only for operation and maintenance and are not to be copied or disclosed to other parties without Seller's written consent.

6. Shipment

Shipping dates are quoted based on conditions prevailing on the date of the offer. Seller shall not be liable for delays due to causes beyond its reasonable control or due to acts of Purchaser, acts of God, governmental regulations, fires, strikes, floods, epidemics, quarantine restrictions, riots, war, freight embargoes, delays in transportation, etc. or its inability to obtain labor, materials or manufacturing facilities despite diligent efforts. In no event shall the contract of sale be subject to cancellation by Purchaser as a result of delays in delivery or for any other cause except by mutual written agreement (see termination clause, item 17). No damages for last shipment may be assessed against Seller unless agreed upon in writing when the order is placed. In any event, Seller will not be liable for any special or consequential damages as a result of delay.

7. Delivery

The method, time, place and party or parties responsible for arranging for segments or entire delivery thereof shall be determined by Seller after consultation with Purchaser. Delivery costs within the United States only shall be to the account of purchaser whether point of origin of goods is foreign or domestic, and regardless of which party or parties arrange segments or entire delivery thereof and also regardless of whether delivery is quoted or acknowledged as FOB or under similar clause. The time of delivery shall be deemed to have been respected when the goods have been shipped or delivered into the custody of the carrier before its expiry. The compliance with the time of delivery shall be subject to the compliance of the Purchaser with its contractual obligations. No case of late delivery shall entitle the Purchaser to cancel the contract or to claim damages. Cases of force majeure, e.g. wars, strikes, shortages of energy

or raw materials, etc. shall release Seller from all or part of its contractual obligations and shall not entitle the Purchaser to any claims whatsoever.

8. Quantity Ordered / Quantity Delivered

Quantities delivered and invoiced may exceed quantities ordered by a maximum of 5% or 20 meters.

9. Acceptance of Order

Seller's acceptance of Purchaser's order shall not be construed as an acceptance of printed provisions on Purchaser's order form which are inconsistent with or additional to these terms and conditions unless specifically accepted in writing by an authorized officer of Seller. No sales representative, agent or employee of Seller is authorized to alter, vary or waive any of these terms and conditions. Such changes require the written approval of any authorized officer of Seller.

10. Taxes

Seller's price does not include present or future sales, revenue, excise, or other tax or fee applicable to the equipment covered by Purchaser's order to its resale and use. Such taxes or fees, if any, are to be paid by Purchaser, or in lieu thereof, the Purchaser shall provide the Seller with a tax exemption certificate to the taxing authorities.

11. Payments

Unless otherwise specified in writing, Seller's standard payment terms are net 30 days from date of invoice, without any deductions. Invoices will normally be submitted at the time of shipment. In case of partial shipments, the terms agreed upon apply prorated to each shipment. If a shipment is delayed by reasons beyond the control of the Seller, payments become due as if shipment had been made. If, in the opinion of the Seller, at any time between the signing of the order and the completion of the transaction, the financial condition of Purchaser does not justify adherence to the terms of payment previously agreed upon, Seller may require full or partial payment in cash or satisfactory security at such time and/or prior to shipment. The due dates of payment shall also be observed if transport, delivery, installation, commissioning or acceptance of the goods is delayed or prevented by circumstances beyond Seller's control. Payment shall also be made if unimportant parts are missing which do not prevent the goods from being used, or if subsequent work on the goods is found to be necessary. If the agreed upon due dates of payment are not observed, the Purchaser shall, without formal notification, be liable to pay interest on overdue amounts from the due date at a rate of 1.5% per month outstanding. Payment of such interest does not release the Purchaser from the obligation to make payments on the agreed due dates.

12. Passage of Title

The title and right of possession to the equipment remains with the Seller until the full contract price (including deferred payments and payment on notes or renewals thereof) and any interest charges incurred, has been paid in cash. Purchaser agrees to perform all acts necessary to protect and maintain this title and right of possession. Passage of title shall not affect risk of loss.

13. Risk of Loss

Risk of loss for damages to equipment is that of Purchaser during all transportation in the United States and subsequent to delivery to site regardless of whether the title has passed to Purchaser and regardless of whether delivery is FOB or under similar clause, or includes installation, or if transport is arranged and supervised by Seller. If, however, point of shipment is outside of United States, risk or loss is that of Seller until delivery to site.

14. Delayed Delivery

If delivery is delayed by Purchaser, equipment held for the Purchaser shall be subject to storage charges and shall be at the risk and expense of the Purchaser, any other provision hereto notwithstanding.

15. Insurance

Seller agrees to obtain insurance adequate to cover full value of equipment against damage or fire loss during shipment to destination if point of origin is outside of United States. Purchaser agrees to obtain insurance adequate to cover and, in any event, shall be fully responsible for full value of equipment against damage or fire loss during shipment originating in the United States and also thereafter for all shipments regardless of whether origin was domestic for builder's risk or negligence of Purchaser's agents, servants or employees as well as damage and fire loss until title has passed to Purchaser. Purchaser will name Seller as co-insured at no cost to Seller. This insurance obtained by Purchaser will also cover tools, instruments, testing equipment or other property brought into Purchaser's plant temporarily by Seller's Field or Service Engineers.

16. Warranty

Seller warrants the equipment of its own manufacture covered by this offer against defects in material and workmanship, under normal use and service for a period of one year from date of delivery. Purchaser understands and agrees that Seller's obligation under this warranty is limited to furnishing without charge, except for transportation cost in the United States, a similar part to replace any defective component or at its option, to repair such defective part, providing that Purchaser has given Seller immediate written notice upon discovery of such defect. Cost of field labor is to the account of Purchaser. This warranty does not apply to any equipment which after delivery was subjected to 1) abuse, accident, alteration or repair by anyone other than authorized engineers of Seller, 2) improper storage or misuse in its application, 3) improper maintenance, 4) failure to observe the operating instructions or manufacturer's instructions, or 5) consequences of external effects and atmospheric influences. Seller reserves the right to check or investigate any claims made by Purchaser as to defects in equipment furnished before taking any steps to correct such defects. This warranty does not apply if Purchaser does not immediately upon discovering defect, take steps such as discontinuing use of equipment to prevent any defect from becoming more serious. Seller represents, and Purchaser agrees and acknowledges, that the above stipulation to be its entire and sole warranty, which is provided in lieu of all other warranties, remedies or claims for damages of any nature whatsoever, and Seller specifically disclaims any other obligation, express or implied, or any liability for special, indirect, incidental or consequential damages, loss of revenue or profit as a result of any defects or arising in any way from this agreement or project. In the case of replacement of a defective product, the warranty period shall not be extended. Purchaser may not assign this Warranty, and any assignment will void this Warranty. Purchaser further understands and acknowledges that Seller has determined its price and agrees to enter into this agreement in reliance upon the exclusive remedy, warranty disclaimers and limitations of liability set forth herein, and would not enter into this agreement without these terms, which are a material part of the bargain. Purchaser must notify Seller in writing prior to commencement of the work or delivery of the product, whichever is sooner, of its intention to negotiate this limitation, otherwise Seller will proceed on the basis that its total liability is limited as set forth above. **EXCEPT AS PROVIDED IN THIS SECTION 16, SELLER MAKES NO WARRANTIES OR REPRESENTATIONS OF ANY KIND OR NATURE, EXPRESS OR IMPLIED (INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE) AND NONE SHALL BE IMPLIED BY LAW. PURCHASER AGREES THAT ANY ORAL AGREEMENTS STATEMENTS AND REPRESENTATIONS MADE BY SELLER, ITS EMPLOYEES OR ITS AGENTS SHALL NOT CONSTITUTE A WARRANTY OF ANY KIND. FURTHER, PURCHASER ACKNOWLEDGES AND AGREES THAT UNDER NO CIRCUMSTANCES SHALL SELLER BE RESPONSIBLE FOR ANY CONSEQUENTIAL, INCIDENTAL OR OTHER DAMAGES OF ANY NATURE TO PURCHASER. PURCHASER SPECIFICALLY AGREES THAT ALL WARRANTY RIGHTS, CLAIMS OR ACTIONS, AND ALL CLAIMS FOR DAMAGES OR REPAIRS, EXCEPT THOSE STATED HEREIN, ARE EXPRESSLY WAIVED AND ARE NOT APPLICABLE, AND THAT IT HAS NO CLAIMS FOR WARRANTIES, MISREPRESENTATIONS, BREACH OR DAMAGES EXCEPT AS EXPRESSLY SET FORTH HEREIN.**

17. Termination or Cancellation

Contracts shall not be subject to termination or cancellation without Seller's written consent, nor shall any equipment be returned to Seller without its written approval and shipping instructions. In the event that cancellation of any unfinished contract is accepted in writing by Seller, Purchaser agrees to pay without delay the full contract price for all completed components and units of the equipment, suitable cancellation charges for any unfinished portion of the contract (taking into account actual expenditures made by Seller, including reasonable overhead charges) and a reasonable share of profit on the unfinished portion of the contract.

18. Patents

Seller agrees to defend, at its own expense, any lawsuit or proceedings brought against Purchaser based on a claim that its own equipment furnished under this contract constitutes an infringement of any United States patent, provided Seller is notified promptly of such lawsuit and copies of all papers are made available to Seller. Seller shall not be responsible for any settlement of such lawsuits made without its written consent.

19. Installation

Installation of equipment is not included in these standard terms. In all cases, the responsibility of Seller shall be limited to the products delivered and the work performed by Seller.

20. Installation Supervision

Seller will furnish, at additional expense to Purchaser, competent supervising field engineers for starting the installation of its equipment upon Purchaser's request. Charges for the services of such field personnel are billed separately and will become payable immediately upon receipt of Seller's service invoice, regardless of terms of payment for equipment. Terms for such services or any modification of this clause require prior written agreement.

21. Arbitration

Any controversy or claim arising out of or relating to this Agreement or any breach thereof, shall be submitted to arbitration at the choice of either party, referring it to one arbitrator agreeable to the parties or if none is agreeable, to one chosen by the American Arbitration Association, settling it in accordance with the rules of the American Arbitration Association. The site of said arbitration is to be within the state of New Mexico. The decision rendered shall be final and binding upon the parties hereto without right to appeal to any courts. The award rendered by the arbitration shall be final and judgment thereon may be entered in any court having jurisdiction thereof.

22. Equal Employment

This agreement incorporates by reference all applicable Federal and State Equal Opportunity clauses.

23. Legal Status of Contract

Seller decides in which of its wholly owned or affiliated manufacturing plants any part of the equipment specified in this contract shall be made or repaired. The contract resulting from Purchaser's acceptance of these Terms and Conditions shall in all respects be construed and governed by the laws of the State of New Mexico. All payments are to be in US currency at such place in the United States as Seller may designate, free of any and all expense to the Seller for transmittal or collection of funds. No later than the date of the order, the Purchaser shall draw Seller's attention to any regulation and/or standard in force in the country or state of destination which may have a bearing on the proper execution of the order.

24. Right of Recourse of Seller

If persons are injured or if property of third parties is damaged or destroyed due to actions or forbearances of the Purchaser, its agents or nominees, and if therefore, legal action is taken against Seller, the Seller shall be entitled to have recourse against the Purchaser.