

PRONIC Inc.

2152, Washtenaw Avenue - MI48197 YPSILANTI – USA

TERMS AND CONDITIONS OF SALE

(REV January 1st 2006)

I. GENERAL

The following Terms and Conditions ("Terms") are applicable to all sales, or licenses made by PRONIC, INC. ("Seller"), a Delaware, U.S.A., corporation with its principal offices in Michigan, USA, and the acceptance of any order is expressly conditioned upon Buyer's consent to these Terms notwithstanding opposite provisions mentioned in the Buyer's purchase terms and conditions. No interlineations, deletions, modifications or amendments to these Terms shall be binding on unless agreed to and accepted in writing.

All sales are subject to written confirmation by Seller. Written confirmations include a registration number. Receipt by Buyer of Seller's acknowledgment of an order without prompt written objection thereto shall constitute acceptance by Buyer of these Terms.

Buyer must respond to Seller's notice of acknowledgment within five (5) business days of receipt of such acknowledgment or Buyer will waive its right to cancel the order.

Information and price quotations mentioned on Seller's catalogues, brochures, prospectus, price lists and diagrams are only indicative. They can be modified by Seller without notice at any time, except after Seller's written acknowledgment of Buyer's order.

II. PRODUCT PRICE QUOTATIONS

Unless otherwise agreed to by the parties, the quotations or tenders are valid during a ninety (90) days time period. These quotations or tenders are noncommittal in nature since Seller can modify them without notice.

No contract shall arise until a written acknowledgment from Seller accepting the Buyer's order, is sent by Seller to the Buyer. Because no contract is formed until Seller acknowledges Buyer's order, these Terms shall supersede any and all terms of Buyer.

It is understood that the price quotations for the products do not include tax and are discount free unless otherwise agreed to by the parties in writing. The effective price quotations are those currently applied when Seller receives Buyer's order. Seller will bear all the costs relating to the carriage of the goods. A Tax shipment and handling in the amount of 2.7% of the total price of the goods ordered not lower than \$18.00 will be charged by Seller.

III. DELIVERY

Unless otherwise specified by the parties the goods are to be delivered all expenses paid to the Buyer's place of business, unless otherwise agreed to in writing. The method and agency of transportation and routing will be designated by the Seller. In the event the Buyer requests alternative shipment or routing, extra packing, shipping and transportation charges thereby resulting will for the Buyer's account. Seller is not responsible for any damage in shipment.

The goods are billed when delivered.

IV. DELAYS IN DELIVERY

Delivery times shall be agreed to by the parties but shall only be approximate, and shall not bind Seller.

Unless otherwise agreed to by parties, delivery time start from the last of the following dates:

- a) The date of acceptance of Buyer's order by Seller,
- b) The date when Buyer has provided all the necessary information agreed to with Seller for the proper performance of the order,
- c) In the event Seller and Buyer agreed to the payment of a deposit prior to the remittance of the goods, the date of receipt by Seller of the deposit.

Seller has a thirty (30) days grace period starting when the agreed to delivery times expire.

Unless otherwise specified, the delivery time will be considered respected if the goods leave Seller's factory or if Seller notifies Buyer that the goods are at its disposal at the expiration of the thirty (30) days grace period, at the latest.

Where a specific shipping date is not designated in a writing signed by the Seller, the Seller shall not be responsible for any delays in filling those orders, nor shall Seller be liable for any loss or damages resulting from such delays for any reason, including, but not limited to accidents to machinery, differences with employees, strikes, labor shortage, fire, floods, supplier delays in filling this required by an instrumentality of the United States Government or any government, delays in the transportation, restriction imposed by any governmental regulation, whether valid or invalid, or cause beyond the control of the Seller, or without the sole fault or negligence of the Seller. Under no circumstances shall Buyer or Buyer's customer be entitled to any damages for Seller's failure to ship on time, and Buyer agrees to indemnify, defend and hold Seller harmless against any costs and expenses related to any claims for lost profits or other consequential damages based on Seller's failure to deliver timely.

In the event the thirty (30) days grace period has expired and if the delays are not caused by any of the reasons mentioned on the above-mentioned paragraph, Buyer will be entitled to request by simple letter the cancellation of the order as for the goods that have not yet been delivered. Under these circumstances, Buyer will also be entitled to obtain the reimbursement of all paid amounts concerning the non-delivered goods.

If Buyer does not pick up the goods at the place and on the date agreed to and providing that Buyer's delays is not due to an act or omission of Seller, Buyer will, nonetheless, have to make the due payments as if the goods had been delivered. In this event, when the goods have been tailored to individual needs, Seller will store them at Buyer's risk and expense.

V. PAYMENT

The payment of Seller's goods shall be made by Buyer by down payment of thirty percent (30%) of the total amount at the time of the order unless otherwise agreed to by the parties in writing. The balance shall be paid by Buyer by Swift transfer or check, thirty (30) days net from the date of the invoice.

In the event Buyer fails to pay an invoice at its due date, Seller will be entitled to ask for the immediate payment of all outstanding amounts owed by Buyer even those that are not due yet.

Moreover, if credit is being provided by Seller, in the event payment is not received when requested by certified mail, interest shall be due at the rate of one and one half percent on the unpaid portion of the invoice sum for each period of thirty (30) days or part thereof from the due date. Buyer shall pay all of Seller's costs of collection of any amounts past due, including, but not limited to attorneys' fees, court costs, witness fees, travel and lodging, etc.

Seller has the right to refuse to deliver goods or services if Buyer is past due on any of its debts to Seller. Furthermore, Seller shall have the right to retake all goods immediately unless other written arrangements have been made concerning payment. Buyer agrees to make all goods available, shipping ready, for Seller, within five (5) days of receiving notice from Seller of its intention to retake the goods.

Irrespective of different statements from Buyer, Seller will be entitled to apply payments made by Buyer first to pay claims not arising from the contract and claims arising from the failure of Buyer to perform the obligations under the contract.

Buyer will not be entitled to suspend its payment obligations to Seller and/or to offset them with any obligations of Seller to Buyer. Buyer will not be entitled to dissolve the contract with Seller if Buyer is in default.

If Buyer does not fulfill its payment obligations to Seller completely or within the applicable payment period, Seller will be entitled to suspend its obligations to Buyer completely and/or not to perform them.

Buyer will be obliged at Seller's first request to insure payment of Seller's claims arising from the contract and to keep them insured. If, nevertheless, Buyer has taken out or maintained insufficient insurance to satisfy the claims of Seller, Seller will be entitled to suspend its obligations to Buyer completely and/or not to perform them.

VI. SECURITY INTEREST

In order to protect and secure payment of all debts due and owing from Buyer, Buyer hereby grants to Seller a security interest in all of Buyer's goods purchased from Seller, and the proceeds therefrom. In connection therewith, Buyer shall take such steps and execute and deliver such financing statements and other papers as Seller may from time to time request. In the event Buyer sells the goods to a third party before payment in full is received by Seller, Buyer agrees to secure its security interest in the goods at the time of sale to its customer in order to protect Buyer's interests to the greatest extent possible.

VII. INSPECTION; RETURNS

Unless Seller receives a written complaint by certified mail with full particulars from Buyer regarding any defective goods or services or other complaints within eight (8) business days from the date the goods or services are delivered, the goods shall be deemed to have been delivered in good condition and that the delivery is accepted. The goods accepted by the Buyer from the Seller, which the Buyer has put fully or partly into use, treated, processed or delivered to others will be considered to conform to the contract.

Any return of goods has to be expressly accepted by Seller. Goods returned by the Buyer to the Seller and goods sent by Seller to Buyer in exchange for the goods returned will remain at the Buyer's risk and expense. The liability of Seller is limited to the replacement of returned goods. Seller shall not be liable for any other kind of compensation. Goods to be exchanged have to be returned in full to Seller's factory, unless otherwise specified.

VIII. LIMITED WARRANTY OF GOODS AND SERVICES, DAMAGES

Seller warrants that its Products shall be free from defects in material and workmanship, except defects that do not affect the functionality of the Product, and shall conform to the written specifications accepted by Seller for a period of one hundred eighty (180) days from the date of delivery to Buyer. Seller's sole liability and Buyer's exclusive remedy for breach of any warranty is limited, at the Seller's option, to the repair or replacement of defective Products at the original F.O.B. or F.A.S. point or refund of purchase price therefore. Seller shall not be responsible for any consequential, direct or indirect costs or losses under any circumstances. All claims of damages of any kind during delivery are barred unless promptly reported in writing with full disclosure of particulars by Buyer to Seller after delivery of the Products and in no event later than ninety (90) days after delivery to the customer, and Buyer shall give Seller a reasonable opportunity to investigate such claim and inspect the Products. Replacement of defective Products shall be made only upon return after inspection by Seller and Buyer's compliance with written instructions from Seller.

This limited warranty shall be void if the products are 1) improperly installed, incorporated into another product or otherwise altered; or 2) subjected to misuse, neglect, accident or damage by persons other than Seller.

This limited warranty does not cover damage resulting from abuse, self-repair, or failure of other parts or components. Seller shall have no responsibility for injury to persons or damage to property. Loss of time, inconvenience, arising from the use of the products alone or as incorporated into other products.

This warranty is given in lieu of all other warranties, express or implied. All other warranties, and specifically the implied warranties of merchantability and fitness for a particular purpose, are expressly excluded.

IX. CANCELLATION PRIVILEGES

Any modification or cancellation of order requested par Buyer has to be accepted by Seller. If Seller does not accept this request, installments already paid by Buyer will not be returned by Seller.

Seller may cancel any contract if Buyer is in default of the payment of any obligations pursuant to or any contract between the parties, or if in the sole judgment of Seller, Buyer's financial condition and responsibility has become materially impaired. In addition, Seller shall have the right to recover damages for nonperformance, and any unpaid installments due on account of this or any other contract between the parties shall become immediately due and payable. If the Buyer - validly - cancels the contract, the Buyer will be obliged to compensate the Seller for any costs incurred by the Seller in connection with making the offer and entering into the contract and the damage and/or loss arising from the cancellation.

The Seller will be entitled to terminate the contract unilaterally with immediate effect, fully or in part and/or to suspend performance of its obligations under any contract binding Seller and Buyer with immediate effect, or to ask Buyer for further assurances, if:

- a. the Buyer has failed to fulfill one or more of its obligations under this or any other contract or sales terms;
- b. Buyer has suspended payments or has sought the protection of the Bankruptcy Courts;
- c. a petition for the involuntary bankruptcy of the Buyer has been filed;
- d. the Buyer's property on Seller's premises has been attached in execution;
- e. a resolution for the dissolution and/or winding up of the Buyer has been adopted;
- f. the enterprise operated by the Buyer has been fully or partly transferred to a third party.
- g. the Buyer dies or has been declared incapable in the event the Buyer is an individual.

The Seller will never be liable with respect to the Buyer for any damages arising from termination of the contract or from the suspension of obligations under the contract for the aforementioned reasons.

If the contract is terminated, performance of the contract already received by the Buyer and the payment obligations of the Buyer in connection with it will remain. The amounts invoiced by the Seller for performance prior to or upon termination of the contract will be immediately due and payable after termination. Buyer agrees to pay any of Seller's costs, damages, legal fees and other expenses associated with Seller's termination of any contract with Buyer pursuant to the terms of this section.

X. FORCE MAJEURE

If Seller is temporarily unable to perform this Agreement because of Force Majeure, it will be entitled to suspend performance of the contract for as long as the Force Majeure lasts. If Seller is permanently unable to perform any of its obligations to Buyer because of Force Majeure, it will be entitled to cancel the specific order with immediate defect and without any damages whatsoever. Buyer agrees to indemnify, defend and hold Seller harmless against any claims made by third parties based on whole or in part on Seller's inability to perform because of Force Majeure.

XI. GOVERNING LAW

These Terms and all transactions between Seller and Buyer are governed by the laws of the State of Michigan, U.S.A.

XII. ARBITRATION

Notwithstanding any provisions contrary hereto, any controversy or claim between Seller and Buyer or any controversy or claim otherwise arising out of or relating to any agreement subject to these Terms, and the arbitrability of a particular issue which cannot be settled amicably by the parties shall be submitted to arbitration. The arbitration shall be conducted in Chicago and shall finally be settled in accordance with the Rules of Arbitration of the American Arbitration Association by one arbitrator appointed in accordance with the above mentioned rules. The arbitrator shall be allowed to apportion fees according to the ruling.

The decision of the arbitrator shall be final and binding upon the parties and may be enforced in any court of competent jurisdiction, and no party shall seek redress against the other in any court or tribunal except solely for the purpose of obtaining execution of the arbitral award or of obtaining a judgment consistent with the award. Any costs so incurred shall be paid by the losing party.

Notwithstanding the foregoing, Seller reserves the right to bring suit against Buyer for monies due to Seller in the courts of Buyer's jurisdiction, or where Buyer has assets.

XIII. ENTIRE AGREEMENT

These Terms constitute the sole terms and conditions of the contract between the Buyer and Seller. No other terms, conditions, or understanding, whether oral or written, shall be binding upon the Seller, unless hereafter made in writing and signed by Seller's authorized representative and, in the case of printed matter, also initialed by such representative next to such printed term or condition.

XIV. SEVERABILITY

Should any provision of this Agreement be judicially declared unenforceable, that provision shall be deemed stricken and the remainder shall continue in full force and effect insofar as it remains a workable instrument for effectuating the intents and purposes of the parties. The Parties further agree to re-negotiate any so severed provision to bring the same within applicable legal requirements to the greatest extent possible.