

NORTHERN NECK GENERATOR, INC. -SALES TERMS AND CONDITIONS

These Standard Terms and Conditions are expressly incorporated into to all contracts between Northern Neck Generator, Inc., a Virginia stock corporation, Virginia Class "A" contractor, License Number 2705 140041A (herein "NNG" or "we" or "us" or "our") and its customers (herein "Customer" or "you" or "your"), except those terms plainly applicable only to certain contracts.

1. **Payment:** Payment is due according to the terms set forth in NNG's proposal or invoice or preventative maintenance agreement. Any amount due not timely paid as set forth therein is overdue and will accrue interest in the manner set forth in Paragraph 3 below or at the maximum rate allowed by law, if greater. Promotional purchases must be paid by cash or check. Applicable sales tax will be added to our invoice. Resale tax certificates must be on file with our credit department prior to invoicing for tax-exempt sales.
2. **Estimate the sole Equipment list:** NNG's proposal or invoice or preventative maintenance agreement and the equipment and materials therein (herein the "Equipment") and any other work to be performed are the entire scope of supply. The Equipment may include, without limitation, generators, concrete pads, propane tanks, regulators, piping, or electrical supplies, but NNG will not provide any equipment or materials or perform any work not specifically mentioned in its proposal or invoice or preventative maintenance agreement.
3. **Financing charges and application of payments:** Interest will accrue monthly on any overdue balance at the rate of 18% per annum. Payments will be applied first to outstanding interest, costs, and attorney's fees, if any are due, and the amount of any remaining amount after payment of interest, costs, and attorney's fees will be applied to the overdue balance.
4. **Retainage:** NNG does not accept withholding of retainage, nor will such retainage be binding upon NNG, unless NNG accepts such retainage in a writing signed by one of its officers.
5. **Mechanic's lien agent:** Customer has notified NNG of the name, address, and telephone number of the mechanic's lien agent on Customer's premises responsible for receiving notice pursuant to Virginia Code section 43-4.01, if any. Customer will provide to NNG a true copy of any building permit that Customer obtains upon the earlier of the date of Customer's acceptance of these Standard Terms & Conditions or Customer's receiving such permit.
6. **Warranty:** Standard manufacturer's warranty applies as specified in our proposal or preventative maintenance agreement or manufacturer's written warranty, unless otherwise modified by extended warranty coverage. Unless otherwise agreed in writing, Customer assumes ownership of all Equipment we provide. Customer is responsible for maintenance, repair, and replacement of all equipment. NNG does not charge for warranty service under a manufacturer's warranty if performed during normal business hours, though after-hours or holiday service is Customer's responsibility and special rates apply. Unless installation is performed by NNG, no warranty covers damage to or failure of the Equipment caused by incorrect or faulty electrical or propane installation by others, and Customer is wholly responsible for any costs of repairing such damage or failure.
7. **Extended warranty:** Extended warranty coverage is valid only in the United States and Canada.
8. **Cancellation:** A cancellation fee of fifteen percent (15%) (herein "the Cancellation Fee") of the subtotal of NNG's estimate or proposal or preventative maintenance agreement will apply to cancelled orders once we accept them. You agree that the Cancellation Fee is reasonable in light of NNG's anticipated or actual damages caused by your breach, the difficulties of proof of loss, and the inconvenience or nonfeasibility of otherwise obtaining an adequate remedy. This remedy is not exclusive, and NNG shall have full and complete authority to pursue any other legal remedies available to it under these Standard Terms and Conditions. In addition to NNG's pre-cancellation time spent at the current rate per hour, cancellation charges will include NNG's materials cost for any custom-fabricated component or otherwise non-returnable product, regardless whether such component or product is completed or in whose possession such component or product rests or whether such component or product is affixed to Customer's real property.
9. **No Installation:** No fuel, wiring, connecting, installation, plumbing, concrete or other item or performance of installation is included unless otherwise specified in our proposal or preventative maintenance agreement or unless it is actually provided. NNG is not responsible for any work performed by others for start-up or installation of the Equipment. Incorrect or faulty electrical or propane installation by others may void the warranty.
10. **Residential installation special terms and conditions:** If NNG contracts to install the Equipment and Customer's premises are residential, then _____ is the estimated beginning date and _____ is the estimated completion date. NNG will comply with all applicable local requirements for building permits, inspections, and zoning. You will provide to us a true copy of any building permit that you obtain upon the earlier of the date of your acceptance of these Standard Terms & Conditions or your receiving such permit.
11. **Risk of loss:** Customer will provide all necessary equipment and resources to load or unload the Equipment, unless NNG has contracted to install the Equipment. Customer assumes the risk of loss upon tender of delivery. In the event the Equipment is damaged in transit and prior to tender of delivery, customer is responsible for coordinating return shipping, fees associated with return shipping, and providing proof to NNG (for reorder). Freight claims are not honored once accepted without the deliverer's agreement and notation.
12. **Liquidated damages:** No liquidated damages or penalty provision shall be binding upon NNG unless NNG expressly accepts such liquidated damages or penalty provision in a writing signed by one of its officers, though the Cancellation Fee herein at Paragraph 8 shall inure to NNG's benefit notwithstanding that its officers have not signed a writing.
13. **Incorporation into future purchase orders:** These Standard Terms and Conditions are hereby incorporated into all subsequent purchase orders. Customer agrees that these Standard Terms and Conditions are incorporated into subsequent purchase orders even if this list is not attached thereto.
14. **Equipment not rated for medical or elevator support:** The Equipment is not rated for medical support or elevators unless so specified. All generators are per National Electrical Code Articles 700, 701, or 702.
15. **Equipment placement:** Generator placements are per manufacturer's recommendations and are in accordance with the National Fire Protection Association's NFPA 37 Standard for the Installation and Use of Stationary Combustion Engines and Gas Turbines (herein "NFPA 37") and any applicable federal, state, or local codes for minimum distances from other structures. If Customer has chosen any generator placement, Customer acknowledges that it has been informed of all such NFPA 37 standards or applicable federal, state, or local codes and that NNG is not responsible for any damages arising from or related to placement at Customer's direction in contravention of NFPA 37 standards or applicable federal, state, or local codes for minimum distances from other structures.
16. **Customer to locate buried utility lines:** Customer is responsible for informing NNG of the location of buried utility lines such as water, septic, and private electric lines not located by Miss Utility. Customer is responsible for the cost of repairing any such damage resulting from trenching during Equipment installation.
17. **Release and indemnity:** Customer agrees to indemnify and save harmless and to remise, waive, release and forever discharge NNG, its officers, directors, stockholders, employees, accountants, attorneys, successors, and assigns, of, for, and from any and all acts, actions, claims, causes of

actions, demands or liability of whatever nature or kind, whether known or unknown, including actual, consequential and punitive damages, on account of, relating to or arising from, or which could arise, either directly or indirectly, from any matter or source whatsoever, pertaining to NNG's performance under any proposal or preventative maintenance agreement, any Equipment malfunction, or any misuse or alteration of the Equipment, however caused. Customer expressly assumes liability for any accidents, burns, fires, injuries or damage caused by propane equipment.

18. **Insurance:** NNG agrees that it shall maintain insurance of the types and in the amounts typically maintained by businesses of the same type, including, but not limited to, comprehensive general liability insurance in the minimum amount of \$1,000,000 per occurrence. Customer shall carry appropriate builder's risk, fire, tornado, or other necessary insurance in an amount at least equal to the job being performed pursuant to these Standard Terms and Conditions or any proposal or preventative maintenance agreement or invoice.
19. **Miscellaneous:** NNG will use reasonable care in installation but will not be responsible: (i) for alteration to drywall, unless NNG specifically contracts to repairing drywall or any finishes to their original appearance; (ii) for damages to yards and driveways during Equipment delivery or installation; (iii) for removing access dirt from tank burial, unless removal is previously specified; (iv) for foundation cracks or leaking as a result of installation, although all electrical installations and thru-wall access is performed above foundation; or (v) for installing access concrete to Equipment pads.
20. **Severability:** All provisions of this contract shall be applicable only to the extent that they do not violate applicable law, and the parties intend them to be limited to the extent necessary so as not to render the contract invalid, illegal, or unenforceable. If any provision shall be found invalid, illegal, or unenforceable, the validity, legality or enforceability of other provisions shall not be affected thereby.
21. **Governing law, venue:** This contract is to be governed by and construed in accordance with the laws of the Commonwealth of Virginia. Any claim or controversy related to this contract shall be brought in a court of appropriate jurisdiction in Lancaster County, Virginia.
22. **No presumption against the drafter:** Customer has had the opportunity to review these Standard Terms and Conditions with counsel and shall not be entitled to the benefit of any resolution of any ambiguity against the drafter or presumption against the drafter.
23. **Force majeure:** Neither party shall be considered in breach of its contractual duties under these Standard Terms and Conditions or any proposal or invoice or preventative maintenance agreement to the extent the performance of its obligations is prevented by an event beyond its control, including, without limitation war, rebellion, strikes, riot, insurrection, acts or threats of terrorism, or Acts of God (herein "force majeure events"). Inability to perform resulting from such a force majeure event shall not constitute abandonment and will not be included in calculating any time frame for payment or performance.
24. **Costs of Collection:** Customer is responsible for all costs of collection or protection or enforcement of NNG's rights hereunder, to include reasonable attorney's fees, court costs, and other legal expenses. If not paid immediately, such costs will bear interest from the date of payment at the hereinabove interest rate for overdue balances.
25. **Notice:** Any notice required by these Standard Terms and Conditions or any written proposal by NNG or preventative maintenance agreement shall be by certified mail, return receipt requested to the party's address as set forth in the proposal or preventative maintenance agreement. Either party may change their address stated herein by giving notice of the change in accordance with this paragraph.
26. **Waiver:** The waiver by either party of any breach of these Standard Terms and Conditions or the Sales or Service Agreement or any proposal or preventative maintenance agreement in effect shall not operate or be construed as a waiver of any subsequent breach.
27. **Headings:** Any headings in these Standard Terms and Conditions or any proposal or invoice or preventative maintenance agreement are for convenience only and are not to be considered when interpreting the Standard Terms and Conditions or any proposal or invoice or preventative maintenance agreement.
28. **Signatures:** These Standard Terms and Conditions may be executed in counterparts, all of which, when taken together, will constitute a single original. The parties agree that facsimile signatures shall be deemed originals.
29. **Assignment:** These Standard Terms and Conditions and any accompanying proposal or preventative maintenance agreement and the rights and obligations of the parties thereto shall bind and inure to the benefit of any successor of NNG or of the Customer by reorganization, merger, consolidation, or otherwise, or to the benefit of any assignee of its business and properties.
30. **Authority to sign:** The undersigned represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver these Standard Terms and Conditions. The undersigned represents that the execution and delivery of these Standard Terms and Conditions and the performance of Customer's obligations hereunder have been duly authorized and that these Standard Terms and Conditions and any accompanying proposal or preventative maintenance agreement are a valid and legal agreement binding on Customer and are enforceable in accordance with their terms.
31. **Errors and Omissions:** We reserve the right to correct any errors or omissions in our proposal or preventative maintenance agreement.
32. **Entire agreement:** These Standard Terms and Conditions and any written proposal by NNG or preventative maintenance agreement constitute the entire agreement between NNG and Customer, and no modification thereof, including, without limitation, of the Contract Price, materials, work to be performed, or estimated completion date, shall be effective unless in a writing signed by all parties.

Customer Acceptance: (signed) _____

Customer Acceptance: (printed) _____ Title: _____

Purchase Order #: _____ Date: _____