

TERMS AND CONDITIONS OF SALE

1. GENERAL. KVT Koenig, LLC. is hereinafter referred to as the "Company". It agrees to sell the equipment covered herein on the following terms and conditions. Any order which contains terms and conditions in addition to or inconsistent with the following shall not be binding upon the Company unless acceptance thereof is made in writing by an authorized representative of the Company, and failure of the Company to object to provisions contained in any purchase order or other communication from the Buyer shall not be construed as a waiver of those conditions nor as acceptance of any such provisions.

The Company will comply with all applicable United States federal, state and local laws in the production of the goods and supplying of services hereunder. Without limiting the generality of the foregoing, the Company represents that it will comply with the requirements of the Fair Labor Standards Act, as amended.

The Equipment to be furnished on this order is, to the best of the Company's judgment, in compliance with the Occupational Safety and Health Act of 1970.

This contract and these provisions and terms shall be governed by and construed according to the laws of the State of Connecticut.

2. DELAY. Delay in delivery of any installment of the order shall not relieve Buyer of its obligation to accept remaining deliveries if the delay is due to any cause beyond the Company's reasonable control, including, without limitation, Acts of God, acts of Buyer, embargo or other governmental act, regulation or requirements, fire, accident, labor disputes, war, civil insurrection or riot, delay in transportation, or inability to obtain necessary labor, materials, or manufacturing facilities. In the event of any such delay, the date of delivery shall be extended for a period equal to the time lost by reason of such delays.

3. WARRANTY. Products manufactured by the Company are warranted to be free from defects in workmanship and material for a period of one (1) year from the date of shipment, and any products which are defective in workmanship or material will be repaired or replaced by the Company upon return by the Buyer to the Company, at no charge to the Buyer for the cost of such repair or replacement. The obligation of the Company hereunder shall be limited solely to such repair or replacement, and shall not include ancillary costs involved in the exchange, and shall be conditioned upon receipt by the Company of written notice of any alleged defects promptly after discovery thereof within the warranty period.

The foregoing is the exclusive remedy of the Buyer, and is in lieu of any and all warranties, expressed or implied, and may be modified only in writing by an officer of the Company. No other representative or any other person is authorized to represent or assume for the Company any warranty except as set forth hereinbefore.

Further, as to auxiliary equipment, accessories or parts manufactured by others, the Company warrants such parts only to the extent of the warranty given by the manufacturer thereof, and said manufacturer shall determine the extent of any allowance for, or repair or replacement of, any such parts claimed to be defective.

4. PRICING. Prices stated on the order confirmation and invoices are based on those in effect of the date of purchase and are subject to change upon proper notification of the Company. No orders for products of the Company shall be binding upon the Company until accepted in writing by an authorized representative of the Company. The right is reserved to correct clerical and administrative errors at any time.

5. RETURNS. No credit will be given for returns except by prior approval of the Company. If the Company has properly supplied product per the Buyer's purchase order and the Buyer wishes to return such goods in their original packaging with the lot number, a minimum restocking fee of 25% will be charged by the Company.

6. WARNINGS. The improper installation or application of the goods; their use with improper wiring, or piping; improper system design or engineering; inadequate inspection or testing; the lack of regular careful maintenance of both the goods and any equipment in connection with which the goods are used; the employment of insufficient or unqualified personnel; the lack of careful supervision, proper warnings, operating instructions, and safety precautions; the exposure of the goods to excessive heat, moisture, dust, dirt, corrosion, or any other deleterious condition, each constitutes a hazard which can result in loss of life, serious personal injury, heavy property or business damage, and Buyer agrees with the Company to itself take and require others to take all reasonable measures to avoid each such hazard. Buyer agrees to notify its customers or users of the product(s), as the case may be, of these warnings.

7. INDEMNITY. In the event that any person, firm or corporation asserts any claim against the Company arising out of any act or omission of Buyer, or arising due to Buyer's failure to notify of warnings or deliver warnings as set forth above, and provided that any such claim does not arise out of the Company's negligence or any actionable defect in the Company's product(s), then in either of such events Buyer agrees to indemnify and save the Company harmless from and against all liability, loss, cost and expense (including attorney fees) arising out of any such claim.

8. LIMITATION OF DAMAGES.

A) In no event shall the Company be liable for incidental, consequential or special damages arising out of or relating to the transaction herein.

B) In no event shall the aggregate liabilities of the Company to Buyer arising out of or relating to the transactions herein exceed the purchase price paid by Buyer to the Company hereunder of the materials in respect of which such claim is made.

THE COMPANY MAKES NO WARRANTY AS TO FITNESS OF ITS PRODUCTS FOR SPECIFIC APPLICATIONS BY THE BUYER OR ITS CUSTOMERS, NOR AS TO THE PERIOD OF SERVICE OF ITS PRODUCTS EXCEPT AS MAY BE EXPRESSLY PROVIDED IN WRITING BY AN OFFICER OF THE COMPANY. IN NO EVENT SHALL THE COMPANY BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF THE FURNISHING OR USE OF ANY PRODUCT MANUFACTURED OR SOLD BY IT TO THE BUYER. THIS WARRANTY SHALL NOT BE APPLICABLE IF THE DEFECT IS THE RESULT OF MISUSE, ABUSE, OPERATOR ERROR, INSTALLATION NOT FOLLOWING PUBLISHED COMPANY GUIDELINES (PS 108 SERIES) OR LACK OF PROPER MAINTENANCE ON THE PART OF THE BUYER.