



Standard Terms and Conditions of Sale (Rev. 1 1/04)

TERMS OF PAYMENT: Standard terms of payment for components, parts and control systems are net 30 days from date of invoice.

All payments are due and payable in accordance with the terms shown on the invoice issued. All payments shall be made to the address specified on such invoice. If not all of the goods or services are delivered or performed at one time, the purchaser shall pay the price applicable to the goods delivered or services performed. Each shipment shall be considered a separate and independent transaction.

PAYMENTS: Pro rata payments shall become due as shipments are made. If shipments are delayed by the purchaser, payments shall become due on the date when CTi Controltech is prepared to make shipment. If the work to be performed hereunder is delayed by the purchaser, payments shall be made based on the purchase price and the percentage of completion. Equipment held for the purchaser shall be at the risk and expense of the purchaser.

If the financial condition of the purchaser at any time does not, in the judgement of CTi Controltech justify continuance of the work to be performed by CTi Controltech hereunder on the terms of payment agreed upon, CTi Controltech may require full or partial payment in advance or shall be entitled to cancel any order then outstanding and shall receive reimbursement for its reasonable and proper cancellation charges. The rights of CTi Controltech under this paragraph are cumulative and in addition to all rights available to CTi Controltech at law or in equity.

All shipments, deliveries and performance of work shall at all times be subject to the credit approval of CTi Controltech and CTi Controltech may at any time decline to make any shipments or deliveries, or perform any work, except upon receipt of payment or upon terms and conditions or security arrangements satisfactory to CTi Controltech.

ATTORNEY'S FEES: In the event of any controversy concerning any term or condition contained in this agreement and in the event a suit or action is filed as a result thereof, then the prevailing party shall be entitled to be awarded, in addition to damages which would otherwise be recovered and in addition to all court costs, reasonable attorney's fees to be set by the court or courts in which the matter is tried or heard, including any appeal thereon.

PRICES: The prices for the goods and services provided shall be CTi Controltech's standard prices at the time of shipment. Also, in the event that the quantity set forth in this acknowledgement is reduced, the price shall be changed to conform to CTi Controltech's standard price for the quantity actually delivered. Such a price revision will apply to all goods delivered hereunder, even if already invoiced at the time for such reduction.

QUANTITY DISCOUNTS: If quantity discounts are incorporated in this agreement, they are computed separately for each type of product or equipment, and are based on the quantity of each type and each size ordered at any one time. If an order is reduced or canceled, prices will be adjusted upward to the higher prices, if applicable, for the un-cancelled quantity.

QUOTATION: Unless otherwise specified by CTi Controltech quoted prices shall be effective for thirty (30) days; the prices quoted are firm for acceptance within thirty (30) days of quotation, assuming shipment may be made within a normal sixty (60) day period after day of acceptance by purchaser. Should purchaser require shipment to be made at a date later than would occur within this normal period or should seller be unable for any other reason beyond its control to ship within said normal period, seller reserves the right to invoice at the prices in effect at time of shipment. Seller reserves the right to correct any proven clerical or stenographic errors.

ESCALATION: Unless otherwise stated herein, the prices quoted are firm for acceptance within thirty (30) days of quotation, assuming shipment may

be made within normal sixty (60) day period after day of acceptance by purchaser. Should purchaser require shipment to be made at a date later than would occur within this normal period or if seller should be unable for any other reason beyond its control to ship within said normal period, seller reserves the right to invoice at the prices in effect at the time of shipment.

MINIMUM BILLING: Orders amounting to less than \$25.00 net will be billed at \$25.00 plus transportation charges.

SALES AND SIMILAR TAXES: CTi Controltech's prices do not include sales, use, excise, value added or similar taxes. Consequently, in addition to the price specified herein, purchaser shall pay, or reimburse CTi Controltech for, the gross amount of any present or future sales, use, excise, value added or other similar tax applicable to the price, sale or furnishing of any services or products hereunder, or to their use by or purchaser, or in lieu thereof purchaser shall provide CTi Controltech with tax exemption evidence acceptable to the taxing authorities.

SHIPMENT: Unless otherwise specified, all shipments are F.O.B. shipping point. CTi Controltech's liability shall cease upon delivery to the carrier at the F.O.B. point. In the absence of specific instructions, CTi Controltech will select the carrier.

TITLE, RISK OF LOSS: Title to the products will pass to the buyer upon CTi Controltech's delivery of the products to the buyer in accordance with the terms hereof, after which time the buyer will bear all risk of loss or of damage to the products. Notwithstanding the foregoing, reserves the right at any time prior to delivery to the buyer to re-consign the products and/or to change the terms of payment therefor whenever, in CTi Controltech's judgement, doubt arises as to the buyer's financial responsibility.

DELIVERY TERMS: Shipping dates quoted and acknowledged by CTi Controltech are approximate. CTi Controltech will use its best efforts to fill all orders within the dates quoted, however, final shipping schedules shall be subject to any conditions that may prevent compliance with acknowledged delivery schedules. CTi Controltech shall not be liable for any damages of whatever kind for failure to give notice of any delay and such delay shall not constitute grounds for cancellations or termination.

INSPECTION AND ACCEPTANCE: Buyer must notify CTi Controltech in writing within thirty (30) days from date of shipment if any products are found to be unsatisfactory, and also state the specific reason(s) for rejection. If CTi Controltech does not receive such notice of rejection, CTi Controltech shall deem that the buyer has accepted the goods.

Goods returned in accordance with above shall be shipped to CTi Controltech prepaid. If CTi Controltech determines that the rejected goods do not conform to the terms of this contract, CTi Controltech shall repair and correct any deficiencies, or replace at our option, and return conforming goods to the buyer, transportation prepaid. In the event CTi Controltech determines that the returned goods conform to the terms of this contract, CTi Controltech shall return the conforming goods to the buyer collect. Buyer agrees to pay to CTi Controltech the cost and expense of inspection and handling.

Title and insurable interest in the returned goods shall remain with the buyer until such time as CTi Controltech shall determine that the goods do not conform to this contract.

WARRANTIES: CTi Controltech warrants to purchaser that the materials furnished and work performed, with the exception of fuses, tubes and indicating lamps, will be of kind and quality and will be free of defects in workmanship and material. If any failure to conform to this foregoing warranty appears within one year after the initial date of delivery, CTi Controltech will correct such defect by suitable repair or replacement, at its option. The remedy set for the above will be provided only to materials found to be defective by CTi Controltech and returned to CTi Controltech, transportation charges prepaid, and is void if measures are taken to correct the defect without CTi Controltech's permission.



The foregoing warranty and remedy is exclusive and in lieu of all other warranties, whether written, oral, implied or statutory. NO IMPLIED STATUTORY WARRANTY OR MECHANABILITY OR OF FITNESS FOR PARTICULAR PURPOSE SHALL APPLY. CTI CONTROLTECH DOES NOT WARRANT ANY PRODUCT OR SERVICES OF OTHERS, WHICH PURCHASER HAS DESIGNATED.

LIMITATIONS OF LIABILITY: CTi Controltech's liability on all claims of any kind (excluding death or bodily injury), whether based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, for all losses or damages arising out of, connected with, or resulting from this contract, or from the performance or breach thereof, or from any services or materials covered by or furnished under this contract or any extension or expansion thereof (including remedial warranty efforts), shall in no case exceed the price of the labor and materials furnished upon which such liability is based. Except as to title to any materials furnished, all such liability shall terminate upon the expiration of the warranty period specified in the article entitled "Warranty".

In no event, whether on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, shall CTi Controltech, its employees and suppliers be liable for special, incidental, exemplary or consequential damages including, but not limited to, loss of profits or revenue, loss of use of the equipment of any associated equipment, cost of capital, cost of purchase power, cost of substitute equipment, facilities or services, down time costs, or claims of customers of purchaser for such damages and purchaser will indemnify CTi Controltech, its employees and suppliers against any such claims from purchaser's customers. If purchaser is furnishing CTi Controltech's services or materials to a third party by contract, purchaser shall obtain from such third party a provision affording CTi Controltech and its suppliers the protection of the preceding sentence.

In no event shall CTi Controltech be liable for any loss or damage whatsoever arising from its failure to discover or repair latent defects or defects inherent in design of the equipment, or caused by units or parts returned to use at the request of the purchaser against the advice of CTi Controltech. If CTi Controltech furnished purchaser with advice or assistance concerning any products, assistance or equipment which is not required pursuant to this contract, the furnishing of such advice or assistance will not subject CTi Controltech to any liability whether in contract, indemnity, warranty, tort (including negligence), strict liability or otherwise.

The invalidity, in whole or part, or any of the foregoing paragraphs will not affect the remainder of such paragraph or any other paragraph of this article.

CANCELLATION: Any order or contract may be canceled by the purchaser only upon payment of reasonable charges based on the following table:

- A. Where order is in process, but not released for manufacture – 10% of purchase price.
- B. Where order is in process with production space reserved and materials being readied for assembly:
 - Engineering Complete.....25%
 - Purchasing Complete.....50%
 - Material Received in House.....75%
 - Production Started.....100%

RETURNING PRODUCT:

- A. In no case are materials to be returned without first obtaining the Company's written permission.
- B. Any material returned and not authorized will remain the property of the sender and we cannot be held responsible for its loss by fire, theft or damage.
- C. Only unused material as currently manufactured, which has been invoiced to buyer within one year, will be considered for return.
- D. We reserve the right to refuse any material returned for credit if our factory conditions warrant such refusal.
- E. Material accepted for credit is subject to the following restocking charges plus transportation charges:
 - Stock items.....35%
 - Non-stock items.....TBD
- F. Material built to order is not subject to return for credit under any circumstances.
- G. Material must be securely packed to reach us without damage. Any cost incurred by us to put product in first class condition will be charged the buyer.

ERRORS: All stenographic and clerical errors are subject to correction.

COMPLETE AGREEMENT: This contract contains the complete agreement between the parties and no modification, amendment, rescission, waiver or other change will be binding on unless assented to in writing by CTi Controltech's authorized representative. Any oral or written representation, warranty, course of dealing or trade usage not contained or referenced herein will not be binding on CTi Controltech.