

TERMS AND CONDITIONS OF SALE

Terms of Payment

Payment is due according to the terms listed on the invoice for all items shipped against an order unless otherwise noted in writing by Seller. Past due invoices will be subject to a late payment penalty not to exceed 1-1/2% per month (18% APR). All payments must be in US dollars.

All accounts in arrears 45 days after date of invoice will be deemed non-collectible. In such cases, Buyer shall pay to Seller, in addition to the amount owing, all costs and expenses (including, but not limited to any fees and disbursements of legal counsel) incurred by Seller in collecting any amount payable by Buyer to Seller under these terms and conditions. Such accounts will lose their "open account" status and all future orders will be shipped C.O.D. basis, or where deemed necessary a bank draft will be required.

Made to order product, orders exceeding \$30,000, or orders requiring in excess of 90 days lead-time will require a 30% down-payment with the order, 60% payment required prior to shipment, remaining balance to Seller within 30 days of invoice date. No such shipment will be made unless the 90% pre-payment has been received by Seller.

Export shipments shall require an irrevocable Letter of Credit ("L/C") fully negotiated and in form satisfactory to Seller before the start of Seller's manufacturing process. L/C's must be payable at sight. Delay in shipment (port acceptance) shall be the sole responsibility of Buyer. Seller reserves the right to withhold shipment on expired L/C's until properly renegotiated.

Other acceptable payment options for export shipments include, at the sole discretion of Seller, a Draft against Payment or a Draft against Acceptance.

Prices

Seller's published prices are subject to change without notice. Back-order shipments will be billed at prices in effect as of the date of original order. Price changes are effective on a specific date and orders received on or after that date will be priced at the revised price. Prices delivered by quotation are subject to the terms and conditions of the quotation and are effective for 60 days unless otherwise noted in the specific quotation.

Taxes

The purchase price to be paid for the goods does not include any applicable federal, state, county or local taxes. Any such taxes (except for any tax payable on Sellers income) shall be added to the purchase price and payable to Seller by Buyer on demand.

Order Acceptance

Orders are subject to acceptance by Seller. A minimum order of \$75.00 at distributor net is required to qualify for the appropriate discount. Any original order not meeting this minimum will be billed at \$75.00.

Seller's offer is expressly limited to the terms and conditions of sale contained herein. Exceptions to such terms and conditions of sale such as those stated on Buyer's purchase orders or any other writing of Seller or Buyer will not be accepted unless specifically agreed to by Seller.

All orders placed, including quotations or other contractual agreements, will require a purchase order from Buyer subject to the terms and conditions set forth herein. Delivery dates are subject to the conditions of the quotation and failure to meet such delivery dates does not constitute cause for cancellation by Buyer and/or damages of any character.

Any order cancelled by Buyer shall be subject to reasonable cancellation charges where appropriate. Such charges will be equal to the amount of unrecoverable labor, unsalvageable materials, and associated expenses incurred by Seller. Buyer's inability to accept machine shipment will necessitate additional charges to Buyer for storage and handling as may be necessary.

Installation, Operation, and Acceptance Tests

Process Equipment, manufactured by others and supplied to Seller, will be mounted according to manufacturer's instructions, or as modified and detailed by Buyer. Any desired changes, other than to meet the original agreed upon plan will be subject to additional charges. Seller shall not be responsible for operation characteristics nor performance of any Process Equipment, other than for any departure from the agreed upon installation plan, as expressly acknowledged in writing by Seller in response to Buyer's purchase order.

Under the terms of its separate published warranty, Seller warrants its equipment manufacture and performance. Invoices shall be rendered and deemed payable upon passing of title. Full set-up and test of the equipment at Seller's factory is not customary practice and is not included.

At Buyer's request, purchased equipment can be fully set-up in Seller's shop for demonstration and acceptance test, at additional charge. Such tests will consist of a demonstration of electrical and mechanical functions. In the event of such tests, acceptance of the equipment at this demonstration will constitute authorization for final billing to Buyer.

Other than the circumstances referred to above, installation and basic operations training will be performed by Seller at the request of Buyer at a location, and upon such other terms and conditions agreed to between Buyer and Seller at the time of the contractual agreement.

Freight Policy

All shipments are FCA point of original shipment unless otherwise expressly

stated. Delivery to a common carrier or licensed trucker by Seller constitutes delivery to Buyer with all risk of loss or damage being borne by Buyer. All costs and expenses incurred by Buyer or Seller in connection with packing, shipping, insuring and unpacking shall be borne by Buyer. All claims against a carrier are the responsibility of Buyer.

Notwithstanding the above, ground transportation charges within the contiguous United States will be prepaid and absorbed by Seller only under the following conditions:

Minimum required order **\$2,000** at distributor net for the following items any mix.

Portable and Gas Apparatus Equipment
Excludes Positioner Equipment (LD Line)

When partial shipments are made, the above conditions will apply to all shipments. Drop shipments are excluded from the above policy.

All other products of Seller are excluded from the aforementioned freight policy, unless otherwise noted. All other freight charges will be borne by Buyer.

Return of All Products

No item shall be returned to Seller for replacement, repair, or credit without an RGA number (returned goods authorization) being issued by Seller in writing unless otherwise noted. An RGA number must appear on the shipping label and packing list. All freight is to be prepaid. All products must be current and should be in the original packing with all auxiliary components. Internal packing must be used to protect the product. If the returned products are not in salable condition, a refurbishing charge shall be charged to Buyer. Normal restocking charge for current product is 20%. Other than for warranty, all returns must be made within 30 days of receipt of the product. Special order items are not returnable.

Factory Field Service - Non-Warranty

Seller reserves the right to apply service charges where a field visit by authorized factory personnel is required. A factory coordinator will schedule the call and supply the applicable service rate. A purchase order will be required to initiate the service call. For warranty service policies, please consult Seller's standard warranty conditions.

Indemnification

Buyer shall indemnify Seller, and hold Seller harmless from and against all awards, costs, expenses and damages incurred by or awarded against Seller in, during or as a result of any action, claim, proceeding or suit resulting from or relating to the goods to be delivered by Seller hereunder, including, but not limited to: any award, cost, expense or damage incurred in connection with the use of any design, trademark, trade name, or part thereof, appearing on the goods at Buyer's request.

Force Majeure

Seller shall have no responsibility for, and shall incur no liability to Buyer for, any failure or delay of performance by Seller with respect to any obligation arising hereunder if such failure or delay directly or indirectly results from war, riot, embargo, emergency, law, regulation, labor-management dispute, abnormal operating conditions, interruption of power, communication or transportation facilities, fire, explosion, natural disaster, or any other contingency whatsoever beyond Seller's reasonable control.

Failure, Delay or Waiver

No failure of Seller to exercise, and no delay by Seller in exercising, any right or remedy under these terms and conditions shall constitute a waiver of such right, such remedy or any other right or remedy under these terms and conditions. No waiver by Seller of any right or remedy under these terms and conditions shall be effective unless in a writing signed by Seller and any such waiver shall be limited to the specific instance and shall not constitute a waiver of such right or remedy in the future or of any other right or remedy under these terms and conditions.

Severability

Whenever possible, each provision of these terms and conditions shall be interpreted in such manner as to be effective and valid under any applicable law or regulation. If, however, any provision of these terms and conditions shall be prohibited by or invalid under any such law or regulation, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder thereof or any of the remaining provisions of these terms and conditions. This agreement shall be governed by and construed in accordance with the laws of the State of New York in the county of Wyoming, without regard to the conflicts of laws principles thereof.

General

These terms and conditions (a) may not be amended orally or by any course of conduct pursued by Seller or Buyer but may be amended only by a written agreement executed by both Seller and Buyer, (b) shall be binding upon and inure to the benefit of Seller and Buyer and each of their legal representatives, successors and assignees; provided, however, that no right under these terms and conditions may be assigned by either party, (c) shall be governed by, and interpreted and construed in accordance with, the laws of the State of New York, (d) Any claims or suits shall be brought in the Supreme Court of Wyoming County in the State of New York. The parties consent to the jurisdiction and waive the argument of inconvenient forum and (e) constitute the entire agreement between Seller and Buyer with respect to the matters dealt with herein, and supersede all oral and written proposals, representations, understandings and agreements previously made or existing with respect to such matters.



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