

Standard Terms And Conditions Of Sale



SVT Associates, Inc.

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Eden Prairie, MN 55344

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RE: P.O. # _____

1.0 GENERAL

1.1 SVT Associates, Inc. is hereinafter referred to as the "COMPANY", and the company, agency, or individual to whom any proposal or quotation is made and/or from whom any purchase order is received is hereinafter referred to as the "CUSTOMER."

1.2 All quotations are subject to final written acceptance by COMPANY in Eden Prairie, Minnesota of CUSTOMER'S purchase order, including any exceptions thereto, before any Responsibility for performance shall exist on the part of the COMPANY. All purchase orders Received by COMPANY not in response to a quotation are subject to written acceptance by COMPANY. All changes from the written quotation of COMPANY must be approved and accepted in writing by COMPANY at its address in Eden Prairie, Minnesota. CUSTOMER is hereby notified in advance of COMPANY'S objection to any proposed additional or different Terms and conditions.

1.3 Unless otherwise set forth in the details of the written quotation or proposal, all quotations are valid for a period of thirty (30) days from the date thereof. Any purchase order issued by CUSTOMER with respect to a quotation from COMPANY shall be subject to written confirmation of acceptance by COMPANY.

1.4 CUSTOMER agrees that no redesign or reverse manufacturing will occur with respect to equipment manufactured by COMPANY and sold to CUSTOMER without written approval from the COMPANY.

2.0 PRICING AND TAXES

2.1 All prices are F.O.B COMPANY'S plant Eden Prairie, Minnesota unless otherwise specified. Federal, state or other taxes are not included in price quotations.

2.2 COMPANY reserves the right to correct all typographical or clerical errors which may be present in the prices or specifications of a quotation.

2.3 COMPANY reserves the right in accepting any purchase order to adjust COMPANY'S prices at the time of invoicing to reflect price increases from COMPANY'S suppliers under the following conditions:

- Time from issuance of COMPANY'S quotation to receipt of CUSTOMER'S purchase order exceeds thirty (30) days.
- Time from acceptance of CUSTOMER'S purchase order to shipment, as mutually agreed upon, exceeds ninety (90) days.
- CUSTOMER requests changes related to delivery, materials, performance, or specialized equipment which require COMPANY to incur costs in excess of those included in COMPANY'S quotation.

3.0 PAYMENT AND TERMS OF PAYMENT

3.1 PAYMENT AND CREDIT

- Standard items are net thirty (30) days.
- Sales in excess of twenty thousand dollars (\$20,000) are subject to special provision for terms of payment as set forth in COMPANY'S quotation and may include:
 - Payment at time of acceptance of purchase order;
 - Progress payment;
 - Payment prior to shipment;
 - Other terms as defined by COMPANY.
- The minimum purchase order which may be placed with the COMPANY is one hundred dollars (\$100.00).

3.2 Failure on the part of CUSTOMER to make full payment on all sums due COMPANY as set forth in COMPANY'S quotation and these standard terms and conditions of sale shall constitute a material breach of contract by CUSTOMER.

3.3 COMPANY may, at its sole option, thereafter proceed to exercise any or all of the COMPANY'S remedies for breach of contract. In addition, COMPANY may charge and collect from CUSTOMER a late charge for any overdue balance due COMPANY computed at the rate of one-and-one-half percent (1.5%) per month for the period of time said balance or any part thereof is overdue. Said late charge shall be added to any overdue balance.

3.4 If shipments are delayed by CUSTOMER, payments shall become due from the date when COMPANY is prepared to make shipment. If manufacture is delayed by CUSTOMER, payments shall thereupon be made based on the contract price and percentage of completion. Products held by COMPANY for CUSTOMER shall be at the risk and expense of CUSTOMER.

4.0 CANCELLATION

4.1 Any request by CUSTOMER for cancellation in total or in part of any purchase order accepted by COMPANY shall be subject to the following conditions:

- COMPANY must receive written notice of Request for Cancellation, stating the reasons therefore.
- CUSTOMER shall be liable for payment of the following charges to COMPANY in the event of cancellation:
 - All charges incurred (including overhead, G&A, and profit) prior to the date that notice of cancellation is received by COMPANY for all parts peculiar to CUSTOMER'S requirement. Upon payment by CUSTOMER of these charges such parts become the property of CUSTOMER. COMPANY will store said parts for a reasonable period of time pending receipt of CUSTOMER'S instructions for disposition. Such storage is at CUSTOMER'S risk and may be subject to storage charges if stored by COMPANY for longer than thirty (30) days from the cancellation date; plus
 - Charges to convert modified standard parts for return to COMPANY'S inventory; plus
 - A restocking charge of a minimum of twenty percent (20%) but not to exceed total sales order value.
 - Custom or special orders are non-cancelable.

5.0 SHIPMENT AND DELIVERY

5.1 RECEIPT OF DAMAGED GOODS: It is the responsibility of CUSTOMER to IMMEDIATELY file claims for any damages to contents.

- Inspect the contents of the shipment and check the merchandise carefully.
 - If any damage is found, contact the carrier and request to file a damage claim. Request for inspection must be made IMMEDIATELY. The delivering carrier will want to know:
 - Name & address of shipper (SVTA).
 - UPS shipper number (if applicable).
 - Tracking number.
 - Contents of shipment.
 - Value.
 - Nature of damage and, if available, estimated repair costs.
 - Keep the container, all packing material, and invoice until damage claim is settled. The package and contents will need to be inspected by the carrier.
 - After notifying the carrier, contact the COMPANY and request a Return Authorization Number. (See Section 8.0, RETURN POLICY.)
 - Failure to contact the carrier and file a claim results in CUSTOMER liability.
- 5.2 Title to all items sold passes to CUSTOMER upon delivery of purchased items to the carrier for shipment per CUSTOMER'S instructions. COMPANY is not responsible for loss or damage after delivery to carrier. Title to items supplied on lease or consignment remains

with COMPANY, and CUSTOMER is responsible for safeguarding same.

5.4 COMPANY'S delivery estimates represent the best information available at that time, and COMPANY will make every effort to meet such dates. Unless there is a specific agreement in writing by COMPANY, COMPANY shall not be liable for any claims of damage by CUSTOMER resulting from any delay in shipping dates from those quoted.

6.0 INSTALLATION

6.1 All equipment shall be installed by and at the expense of CUSTOMER unless otherwise specified in writing.

7.0 WARRANTY AND LIMITATIONS OF REMEDIES

7.1 COMPANY warrants that all equipment manufactured by it shall be free from defects in materials and workmanship under normal use and service for a period of twelve (12) months from the date of shipment from COMPANY'S plant. This warranty is subject to COMPANY'S equipment being installed, maintained, and operated in accordance with the operating and maintenance instructions accompanying each item manufactured by COMPANY. Warranty shall be void if COMPANY'S equipment is modified by CUSTOMER or used in other than the recommended manner or applications. Purchased equipment incorporated into any item supplied by COMPANY will be covered by manufacturer's warranty.

7.2 COMPANY warrants that, at the time of delivery, any other products processed or manufactured and sold by it hereunder are free of defects in material and workmanship and conform to COMPANY specifications.

7.3 No warranty is provided by COMPANY for products sold hereunder which are not manufactured or processed by COMPANY, but the manufacturer's warranty for such products, if any, shall be assigned to CUSTOMER without recourse to COMPANY.

7.4 The foregoing warranties are in lieu of and exclude all other warranties not expressly set forth herein, whether expressed or implied by law or otherwise, including without limitation any warranty of merchantability or fitness for a particular purpose. In no event will COMPANY be liable for consequential damages.

7.5 IN THE EVENT OF COMPANY'S LIABILITY, WHETHER BASED ON CONTRACT, TORT (INCLUDING BUT NOT LIMITED TO NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE, CUSTOMER'S SOLE AND EXCLUSIVE REMEDY WILL BE LIMITED, AT COMPANY'S OPTION, TO REPAIR OR REPLACEMENT (F.O.B. COMPANY'S PLANT) BY COMPANY OF ANY NON-CONFORMING ITEM FOR WHICH CLAIM IS MADE BY CUSTOMER OR TO REPAYMENT OF

THE

PORTION OF THE PURCHASE PRICE PAID BY CUSTOMER ATTRIBUTABLE TO THE NON-CONFORMING ITEM. COMPANY WILL NOT BE LIABLE FOR ANY OTHER DAMAGES, WHETHER

DIRECT, INCIDENTAL, CONSEQUENTIAL OR OTHERWISE.

8.0 RETURN POLICY

8.1 Any request by CUSTOMER for return of standard products other than for warranty claims under Section 7 hereof, for all or any part of purchase order accepted by COMPANY, shall be subject to the following conditions:

- Notification must be made to COMPANY by CUSTOMER within thirty (30) days of original shipping date.
 - A "RETURN GOODS AUTHORIZATION" number must be assigned to and accompany all goods or materials being returned by CUSTOMER to COMPANY. Said number must be assigned by COMPANY prior to any and all returns. Goods not accompanied by a "RETURN GOODS AUTHORIZATION" number will be refused by COMPANY and returned at CUSTOMER'S expense.
 - CUSTOMER shall prepay shipping charges for products being returned to COMPANY.
 - Products being returned to COMPANY should be properly crated for shipment, and CUSTOMER shall bear the risk of loss until delivered to COMPANY.
 - Products being returned to COMPANY must be returned in the condition originally received by CUSTOMER and free from damage, use or modification which would render the product unusable for resale by COMPANY.
 - All applicable taxes, duties, insurance, and shipping charges shall be the sole responsibility of CUSTOMER.
 - Goods being returned for other than warranty repair shall be subject to a restocking charge of twenty (20) percent of the original sales price of the returned item.
- 8.2 Return of Equipment for Repair or Servicing
- Before shipping equipment for repair or servicing, obtain a Return Authorization Number assigned by COMPANY.

9.0 SERVICE CALLS

9.1 Service calls, other than those required by the specific terms of quotation, shall be made at the expense of CUSTOMER.

10.0 PATENTS AND RIGHTS

10.1 The equipment to be provided by COMPANY under its quotation may include items for which a supplier or COMPANY holds patent rights, or has patent rights pending, or has a license to manufacture under patent rights held by others. COMPANY shall not be liable for any claims against CUSTOMER arising from such patent or license rights.

10.2 The acceptance of a purchase order, submittal, or quotation, or supply of products, services or equipment does not constitute an offer, nor imply the obligation of COMPANY to make any patents, patent rights, or license to manufacture available to CUSTOMER or any third party having a contractual relationship with CUSTOMER with respect to any item supplied by COMPANY.

10.3 All drawings, unique techniques and inventions made by COMPANY, its agents or employees in the fulfillment of any contract shall be and remain the property of COMPANY.

11.0 LAW AND REFORM

11.1 All contracts and transactions between COMPANY and CUSTOMER shall be governed and construed in accordance with the laws of the State of Minnesota and shall be enforceable only in the State and Federal Courts of said Minnesota.

Purchasing Institute/Company _____

Official Authorized Signature/Title _____ Date _____

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