



3374 Precision Drive, Rockford, IL 61109

Spare Part Solutions Inc - Standard Terms and Conditions

1. Introduction: The Terms and Conditions set forth in this writing form an integral part of this quotation. Any Terms and Conditions of a purchase order or other similar instrument which are in addition to, or inconsistent with these Standard Terms and Conditions shall not be binding on Spare Part Solutions Inc unless specifically agreed to and noted in Spare Part Solutions Inc's acceptance of Buyer's purchase order or other acceptance instrument. These Terms and Conditions set forth the entire understanding between Buyer and Spare Part Solutions Inc with reference to the subject matter thereof.

2. Waiver and Severability: No delay or failure of either party in exercising any right hereunder and no partial or single exercise hereof shall be deemed to constitute the waiver of such right or any rights hereunder. If any provision of these Terms and Conditions shall become inoperative or unenforceable as applied to any particular case or becomes conflicting with any other provision hereof, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance. The invalidity of any one or more phrases, sentences or clauses of these Terms and Conditions shall not affect the remaining portion of these Terms and Conditions or any part thereof.

3. Contract: This quotation, the Buyer's purchase order and Spare Part Solutions Inc.'s written acceptance will constitute a Sales Contract.

4. Price: Price specified in the body of this quotation considers that both the unique provisions and standard provisions listed herein are accepted by the Buyer and that the delivery is F.O.B. Spare Part Solutions Inc.'s floor. Shipping and loading costs incurred on behalf of the Buyer will be charged additional to the SPS price quoted. Unless otherwise state in the SPS quote. Title and risk of loss of the equipment purchased pass to the Buyer upon delivery to the carrier.

5. Payment: Standard terms of payment are Net thirty (30) days from date of invoice. Orders exceeding twenty thousand dollars (\$20,000) in value will be progressively invoiced in the following amounts, unless otherwise stated in quote:

40% of order value due with release of customer purchase order.

50% of order value due at run off / customer acceptance onsite at SPS, before shipping.

Balance due upon final shipment of completed project and/or after project install / runoff. Customer site install / runoff to be completed within 10 days of shipping from SPS, unless otherwise stated in writing.

Invoices will accrue one and one half percent (1-1/2%) compound interest each full month following payment due date.

6. **Taxes:** Prices quoted are exclusive of any federal, state, municipal, or other government tax imposed on the sale, shipment or use of equipment described herein. Such taxes applied directly to the sale hereunder shall be paid by the Buyer, or in lieu thereof, Buyer shall provide to Spare Part Solutions Inc an exemption certificate acceptable to the taxing authorities.

7. **Cancellation:** Buyer shall have the right to cancel delivery of any equipment ordered by written notice to Spare Part Solutions Inc of such cancellation at least thirty (30) days prior to scheduled shipment thereof. On receipt of written notice of intent to cancel, Spare Part Solutions Inc will advise Buyer of the dollar amount of cancellation charges to be billed including a) actual costs incurred to date of cancellation, b) applicable overhead expenses and c) a 15% profit factor. The order will be officially canceled upon payment of Spare Part Solutions Inc's invoice.

8. **Engineering:** For many project engineering will be required to complete in order to machine, wire and build a project. Designs are the property of Spare Part Solutions Inc... Customers may be charge engineering time to complete a project. Upon project completion Spare Part Solutions Inc. will supply TOP LEVEL BUILD drawings and any ELECTRICAL/PHEUMATIC SCEMATICS that apply to a project. Full reproducible drawings are only available for an extended engineering cost to the customer.

9. **Acceptance of Equipment:** The criterion for acceptance shall be successful operation of the equipment on Spare Part Solutions Inc.'s floor and Buyer's written confirmation that the demonstration complied with contract specifications. If Buyer waives demonstration and instructs Spare Part Solutions Inc to ship equipment, such instruction shall constitute acceptance of equipment.

10. **Shipping Date:** Quoted time required to deliver is based on prompt receipt of all necessary information, documents and Buyer supplied equipment. Shipment will be scheduled when an order is accepted and the Buyer will be advised of the actual shipping date. Spare Part Solutions Inc will not be liable for delays in delivery or other default by reason of any occurrence or contingency beyond its reasonable control, nor shall it be liable for any consequential damages caused by any delay in delivery or failure to manufacture, even if Spare Part Solutions Inc has been advised of such damages.

11. **Shipping Cost:** All shipping is FOB Spare Part Solutions Inc. facility. Customer is responsible for all shipping cost unless otherwise specified in a quote.

11. **Installation:** It shall be the Buyer's obligation to inspect and install all equipment at its ultimate destination. Spare Part Solutions Inc will provide the assistance of one (1) technician

to check the completed installation and to supervise operational start-up of the equipment. Spare Part Solutions Inc does not assume liability to provide any other installation service whatsoever.

12. Technical Assistance: At Buyer's request Spare Part Solutions Inc will provide technical assistance to service equipment on Buyer's floor on a daily per diem plus cost basis which will be invoiced as a separate charge immediately after service is provided. Terms of payment for all service will be net thirty (30) days from date of invoice.

13. Warranty: Spare Part Solutions Inc warrants equipment of its manufacture to be free from defects in materials and workmanship under normal use and service for a period of twelve (12) months. The warranty period will start on the 30th day after delivery to the carrier or upon installation, whichever is sooner. Spare Part Solutions Inc shall not be responsible for any damage resulting to or caused by its equipment by reason of a) unauthorized alterations or repairs to the equipment, b) improper maintenance, misuse or accidental damage to the equipment or c) attempt to operate, intentionally or otherwise, equipment at other than design specifications or rated capacity. This warranty does not extend to any other component parts not manufactured by Spare Part Solutions Inc: however Spare Part Solutions Inc's warranty herein shall not limit any warranties made by original manufacturers of component parts which may extend to the Buyer in the event the equipment fails to perform by reason of defective component or workmanship, Buyer shall immediately notify Spare Part Solutions Inc. Spare Part Solutions Inc shall, at its option, a) send a service representative or b) have the defective component returned to its' factory, at the Buyer's expense, for inspection. If judged by Spare Part Solutions Inc to be defective in material or workmanship, the component will be replaced at Spare Part Solutions Inc's option, free from all charges except transportation.

SPARE PART SOLUTIONS INC NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON TO ASSUME FOR IT ANY OTHER LIABILITY IN CONNECTION WITH THE SALE OF ITS' PRODUCTS. THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT WILL SPARE PART SOLUTIONS INC BE LIABLE FOR CONSEQUENTIAL DAMAGES, EVEN IF SPARE PART SOLUTIONS INC HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

14. Governing Law: Any contract of which this quotation is a part shall be governed by the Uniform Commercial Code as adopted by the State of Illinois, as effective and in force on the date of this quotation.

15. General:

A. Amendments: Contracts may be amended only by an instrument in writing executed by duly authorized representatives of both parties.

B. Headings: The headings and titles of the articles and paragraphs of these Terms and Conditions are inserted for convenience only and shall not affect the construction or interpretation of any provision.

