



GENERAL TERMS AND CONDITIONS OF SALE TO CUSTOMER

1. ORDERS

Orders are to be submitted to POWER DYNAMICS, INC. ("PDI"): in writing to the attention of the order department. Orders must specify the products and delivery date desired by the Customer. All orders are subject to approval and acceptance in writing by a duly authorized agent of PDI. PDI may refuse to accept any order. The order acknowledgment (also attached to the e-mail to which these General Terms and Conditions are attached) indicates PDI's interpretation of the order and PDI's intention to ship as shown on the acknowledgment. It is the Customer's responsibility to notify PDI immediately upon receipt of the order acknowledgment of any discrepancies as to quantity, size, or delivery dates that may exist; otherwise, the terms of the order acknowledgment are binding upon the Customer. All written quotations shall be valid for thirty (30) calendar days from the date of quotation. PDI's order acknowledgement and these General Terms and Conditions of Sale constitute the entire agreement. No additional terms shall become part of the agreement other than those expressly set forth in the order acknowledgement and these General Terms and Conditions. Any terms and conditions set forth in the order provided to PDI by the Customer are not part of the agreement.

2. MINIMUM BILLING

Orders amounting to less than ONE HUNDRED DOLLARS (\$100.00) are billed at ONE HUNDRED DOLLARS (\$100.00) net.

3. TERMS OF PAYMENT

The terms of payment for all orders are net thirty (30) days after date of invoice.

4. DELIVERY AND SHIPMENT

PDI will ship all orders F.O.B. shipping point, no freight allowed, and by such means as PDI, in its discretion, determines to be most feasible; however, PDI will endeavor whenever practical to comply with the Customer's request with regard to the mode of shipment and routing. All transportation charges for air shipments shall be at Customer's expense. Products will be shipped utilizing standard PDI packaging. All requests for special packaging will carry an extra charge and be determined by PDI at the time of Customer's request.

Shipping dates on the order acknowledgment are estimated and PDI shall not be liable for loss or damage due to delay in delivery resulting from any cause. In no event shall PDI be liable to Customer for consequential or special damages due to any cause. Orders are subject to a shipping quantity variation of plus or minus five (5%) from the quantity ordered.

5. SHIPPING LIABILITY AND CLAIMS

PDI shall not be liable for damages to or loss of any PDI products occurring after delivery by PDI to a carrier for shipment. All claims for damages or losses in transit shall be asserted directly against the carrier by the Customer.

Notwithstanding any other provision to the contrary contained herein, it is understood and agreed that PDI shall have the right, but not the obligation, at the Customer's sole expense to insure any shipment of PDI products against loss or damage in transit.

6. TITLE TRANSFER

The legal and beneficial title and all property to goods specified in the purchase order shall transfer at point of shipment.

7. TAXES

All sales, use and other taxes, federal or state, payable on account of a sale, shipment or delivery shall be for the account of and paid by the Customer.

8. PRODUCT CHANGES

PDI shall have the right, at any time to change the design, specifications or performance of the PDI products or to discontinue any model or product. PDI shall have no obligations to modify PDI products previously ordered or delivered to reflect such design changes or modifications.

9. PDI LIMITED WARRANTY

All PDI products are warranted against defects in workmanship, material and construction FOR A PERIOD OF ONE (1) YEAR FROM THE DATE OF SHIPMENT IF the products have been properly installed, used and maintained. PDI HAS NO LIABILITY FOR VARIATIONS FROM SPECIFICATIONS OR MANUFACTURING DEFECTS THAT DO NOT AFFECT FUNCTIONALITY. THERE ARE NO EXPRESS WARRANTIES OR WARRANTIES OF MERCHANTABILITY OF FITNESS FOR A PARTICULAR PURPOSE, ALL SUCH WARRANTIES BEING EXPRESSLY DISCLAIMED. IN THE EVENT THAT ANY SUCH IMPLIED WARRANTIES MAY NOT BE ENTIRELY DISCLAIMED, SUCH IMPLIED WARRANTIES AND ALL OTHER WARRANTIES ARE LIMITED TO A ONE (1) YEAR PERIOD FROM THE DATE OF SHIPMENT. THE OBLIGATION OF PDI UNDER THIS LIMITED WARRANTY AND ALL OTHER WARRANTIES IS LIMITED TO THE FURNISHING OF NEW PARTS FREE OF CHARGE IN EXCHANGE FOR PARTS WHICH HAVE PROVEN DEFECTIVE AND DOES NOT INCLUDE ANY OTHER COSTS, SUCH AS THE COST OF REMOVAL OF THE DEFECTIVE PART, INSTALLATION, LABOR OR CONSEQUENTIAL DAMAGES OF ANY KIND, THE EXCLUSIVE REMEDY OF CUSTOMER BEING LIMITED TO HAVING SUCH NEW PARTS FURNISHED. UNDER NO CIRCUMSTANCES WILL PDI'S LIABILITY EXCEED THE CONTRACT PRICE FOR THE PRODUCTS CLAIMED TO BE DEFECTIVE. PDI ASSUMES NO RESPONSIBILITY FOR THE PROPER SELECTION AND INSTALLATION OF ITS PRODUCTS. IT IS THE CUSTOMER'S RESPONSIBILITY TO

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DETERMINE THE SUITABILITY OF THE PDI DEVICE FOR ITS APPLICATION. PDI MAKES NO WARRANTIES OF THE PDI PRODUCTS FOR ANY PARTICULAR APPLICATION. PDI MAKES NO WARRANTIES AND ASSUMES NO LIABILITY AS TO THE SUITABILITY OR THE SUFFICIENCY OF THE DEVICE FOR THE CUSTOMER'S APPLICATION. ALL WARRANTY CLAIMS MUST BE MADE IN WRITING TO PDI NOT LATER THAN THIRTY (30) DAYS AFTER THE EXPIRATION OF THE WARRANTY OR THEY WILL NOT BE HONORED.

10. CANCELLATION OF ORDERS

Orders which have been accepted by PDI may be canceled in whole or in part only with the written consent of PDI and payment by the customer to PDI of a cancellation charge which will be assessed by PDI on the basis of the processing stage of the order at the time of cancellation. No order may be canceled after shipment. Requests for extensions of shipment dates may be treated as order cancellations by PDI.

11. ORDER ADDITIONS

PDI may treat any additions to orders already accepted as new orders.

12. STANDING INSTRUCTIONS

PDI does not accept standing, general or blanket instructions. Each transaction must be accompanied by full instructions on the order.

13. FORCE MAJEURE

PDI shall not be liable for failure to deliver or delays in delivery or for loss or damages to customer (or third parties) occasioned by strikes, lockouts, fires, inability to obtain materials or shipping space, breakdowns, delays of carriers or suppliers, acts of God, governmental acts and regulations, shortage of cars, fuel, labor or materials, or any circumstance or cause beyond the control of PDI in the reasonable conduct of business.

14. INDEMNIFICATION

Customer agrees to hold PDI harmless from, defend and indemnify PDI against damages, claims, and expenses arising out of installation of PDI products or sales of goods or products containing components sold by PDI and based upon personal injuries, deaths, property damage, lost profits and any other matters for which Customer, its employees or subcontractors, or any third party are or may be to any extent liable, including, without limitation, penalties imposed by the Consumer Product Safety Act and liability imposed upon any person pursuant to the Magnuson-Moss Warranty Act as now in effect or hereafter amended. The warranties and remedies provided for above by PDI are available only to Customer and shall not extend to any other person.