Kinsley Power Systems General Terms and Conditions

1.0 Summary. These General Terms & Conditions are between Kinsley Power Systems ("Kinsley")having a mailing address of 14 Connecticut South Drive, East Granby, CT 06026 (fax number 860-844-6136) and the company, firm or corporation identified above ("Customer", "You" or "Your"). The purpose of these General Terms & Conditions is to set forth the general terms and conditions that will apply to all services performed by Kinsley for the Customer and all products sold by Kinsley to the Customer. Specific terms and conditions on which such services and products will be provided may be set forth on separate agreements. (Written proposals, quotations, etc.) (Each hereinafter referred to as a "Related Agreement"). The provisions of these General Terms & Conditions shall be incorporated into each of these Related Agreements and govern all the understanding and agreements, including but not limited to, Related Agreements between the parties unless otherwise expressly set forth in a Related Agreement. In the event of a specific conflict between the provisions of these General Terms & Conditions and the express provisions of any Related Agreement, the Terms and Conditions of the Related Agreement shall control, except for Section 3.0, "Limited Warranty Statement", which shall be controlled by these General Terms and Conditions, unless amended in writing and signed by authorized personnel of Kinsley.

2.0 Payment Terms. All charges are due and payable in accordance to our credit terms set forth on Kinsley Power Systems' invoice. If the Purchaser delays delivery from the agreed upon date, payment terms shall take effect on the date Kinsley is prepared to make shipment. The failure of customer to make any payments required by this Agreement or under any Related Agreement shall be considered an event of default and, without limiting Kinsley Power Systems' remedies at law or under this Agreement, shall entitle Kinsley to suspend or terminate the services or products provided to you under all Related Agreements.

2.1 Recoverable Costs & Expenses. All costs advanced and expenses incurred that are directly related to the services performed will be reimbursed to Kinsley. These may include, but not be limited to, airfare, hotel accommodations, tolls, business meals, parking, miscellaneous travel expenses, faxes, courier charges, express mailing, mileage round-trip from Kinsley Power Systems' service location or shipping point, and all other out-of-pocket expenses.

2.2 Finance Charges, Collection Costs and Expenses. All bills not paid within thirty days (30) of invoice due date, will be assessed a late charge of 1.5% per month (18% per annum) on the unpaid balance until paid in full. In the event that Kinsley brings any arbitration or other proceeding to collect amounts owned, Kinsley shall be entitled to recover the costs and expenses (including but not limited to its filing fees, witness fees and reasonable legal fees) incurred in collecting such amounts.

2.3 Storage. If the equipment is not shipped after notification has been made to the Customer or its agent that it is ready for shipping, for any reason beyond Kinsley Power Systems' control, including Customer's failure to give shipping instructions, Kinsley may store the equipment at the Customer's risk and expense. The Customer shall pay all handling, transportation, storage and insurance cost at the prevailing commercial rates.

2.4 Credit Approval. Shipments, deliveries and performance of work shall at all times be subject to the approval of Kinsley. Kinsley may at any time decline to make any shipment or delivery or perform any work except upon receipt of payment or security or upon terms and conditions satisfactory to Kinsley.

2.5 Cancellation. Orders are not subject to cancellation or change in specifications, shipping schedules or other conditions originally agreed upon without Kinsley Power Systems' written consent, which shall be in Kinsley Power Systems' sole discretion and then only upon agreement to compensate Kinsley for all losses caused by such cancellation or changes.

2.6 Return Merchandise:

Electrical parts/components are not returnable.

Kinsley reserves the right to charge a restocking charge for returned merchandise that it determines in its sole discretion is reasonable.

Prior written authorization is required before returning merchandise. All merchandise must be returned prepaid to Kinsley Power Systems' designated outlet, unless otherwise instructed when the authorization is granted.

Kinsley reserves the right to deny authorization for return for any items in its sole discretion.

Kinsley reserves the right to refuse unauthorized returns.

All claims on returned goods must be made within thirty (30) days from shipment and accompanied by receipt on which original delivery was made.

In cases where Kinsley sells a product on an "exchange" basis, a "core charge" is payable by the Customer if an acceptable "core" is not returned to Kinsley, freight prepaid, within thirty days after shipment of the exchange product. Kinsley reserves the right to determine if the "core" is "acceptable" (i.e.; reasonably and economically suitable for repair and resale).

2.9 Taxes. In addition to all other amounts payable under this Agreement or under a Related Agreement, the Customer shall pay all United States and foreign sales, use, value added, and other taxes and duties, of whatever nature, federal, state, provincial or otherwise (herein "taxes"), which are levied or imposed by reason of this Agreement or any of the Services or products purchased from Kinsley. The Customer shall promptly pay Kinsley for any such Taxes paid by Kinsley on behalf of the Customer or which are required to be collected and paid by Kinsley. Kinsley may bill the Customer separately for such Taxes.

2.8 Third Party Vendors. Kinsley may from time to time refer the Customer to third party vendors for specific products or services. These vendors are not Kinsley Power Systems' subcontractors, so it is the Customer's responsibility to select and negotiate the terms and conditions of the Customer's business with them. Kinsley will not be responsible for their products or services.

2.7 Force Majeure. Kinsley shall not be liable in any way for any default or delay due to contingencies beyond its control, or the control of its suppliers or subcontractors, which prevents or interferes with Kinsley making delivery or performing services on the date specified, including but not limited to war, or restraints affecting shipping, delivery of materials or credit as a result of war or war restrictions, non-arrival delay or failure to produce materials as a result of war or war restrictions, rationing of fuel, strikes, lockouts, fires, bombings, acts of terrorism, accidents, floods, droughts and any other contingency affecting Kinsley, its suppliers, or subcontractors; and Kinsley shall have the right to cancel a contract for services or cancel a contract of sale or to extend the shipping date in the event that one or more of such contingencies prevent or delay shipments. In the event of delayed or extended shipping dates due to the above causes, and the Customer changes shipping instructions, any additional shipping charges shall be paid by the Customer as a part of the purchase price.

2.10 General:

Any claims for shortages or deductions for erroneous charges must be made in writing within thirty days after receipt of goods or services or shall be deemed waived.

All manufacturer's names, numbers, symbols and descriptions are used for reference purposes only, and it is not implied that any part listed is the product of these manufacturers.

All clerical errors on the part of Kinsley are subject to corrections.

Prices are subject to change without notice.

Unless otherwise stated, prices are FOB point of manufacture.

Delivery dates may be quoted by Kinsley. Such dates are estimates only and in no event shall such dates be construed as falling within the meaning of "time is of the essence".

2.11 No Hire Clause. During the term of any Related Agreement under which Kinsley is providing products or services, and for a period of one (1) year thereafter, the Customer and its affiliates will not (a) employ or hire, nor engage as a consultant, or subcontractor, any employee or subcontractor of Kinsley, nor any of its affiliates, (b) solicit any employee or subcontractor of Kinsley or any of its affiliates to become an employee of, or consultant or subcontractor to Customer or any of its affiliates, nor (c) recommend or suggest to any other person or entity that it so solicit, employ, hire, or engage any such employee or subcontractor. In the event of any breach of the foregoing provisions, Kinsley shall be entitled to be paid, on demand, as liquidated damages and not as penalty, an amount equal to the annualized base salary and other regular compensation being paid to such employee or subcontractor as of the date of the termination of his or her employment with Kinsley or its affiliate. It is agreed that the amount of damages, which would be suffered because of a breach of the foregoing provisions of this Section, would be difficult to measure and that such payment amount constitutes reasonable liquidated damages for such a breach.

2.12 Governing Law and Jurisdiction. These General Terms & Conditions and each Related Agreement shall be construed and enforced in accordance with the laws of the State of Connecticut, without regard to its conflict of law provisions. The United Nations Convention on the International Sale of Goods shall not apply to these General Terms and Conditions and conditions of any Related Agreement. All suits under this agreement shall be brought and filed in the State of Connecticut.

2.13 Assignment and Transfer. Except as otherwise provided in any Related Agreement, these General Terms and Conditions and any related Agreement may be assigned or transferred by either party and shall be binding upon and for the benefit of Kinsley and the Customer, as well as the Customer's and Kinsley Power Systems' respective legal representatives, successors and assigns.

2.14 Invalid Provisions. These General Terms and Conditions and any Related Agreement shall be valid, and enforced to the fullest extent permitted by law. If any term, condition, or provision of these General Terms and Conditions or any Related Agreement, or the application thereof to any person or circumstance, shall be held invalid or unenforceable to any extent, then such term, condition, or provision shall be curtailed and limited to the extent necessary to bring it within the legal requirements of the remainder of these General Terms and Conditions, or Related Agreement, and the application of such term, condition, or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby.

2.15 Entire Agreement, Modification. These General Terms and Conditions and any Related Agreements constitute the entire agreement between Kinsley and the Customer with respect to the subject matter thereof, superseding all previous communications and negotiations, whether written or oral. No modification of these General Terms and Conditions or any Related Agreement shall be binding unless it is in writing and executed by authorized representatives of Kinsley and the Customer.

2.17 Waiver of Failure to Act. The waiver or failure of either party to exercise in any respect any right provided for such party in these General Terms and Conditions or any Related Agreement shall not be deemed a waiver of any further right hereunder.

2.16 Notices. Any written notice or other written communication to a party under these General Terms & Conditions or any Related Agreement shall be delivered personally, sent by fax, or sent by express carrier for next business day delivery or by United States registered or certified mail, freight or postage prepaid. Notices shall be sent to a party's address or fax number set forth at the beginning of this agreement or such other address or fax number as such party may specify in writing.

2.18 Third Party Beneficiaries. These General Terms and Conditions and any Related Agreement shall not be deemed to create any rights in any third parties (excepting only Kinsley Power Systems' affiliates), including suppliers and customers of a party, or to create any obligations of a party to any such third parties.

2.19 Affiliate. As used in these General Terms and Conditions or in any Related Agreement, an "affiliate" of a party means a third party that directly or indirectly (by the ownership of voting securities, contract or otherwise) controls, is controlled by, or is under the common control with, such party.

2.20 Security Interest. Customer hereby grants Kinsley Power, and Kinsley will retain, a purchase money security interest and lien on any and all of Customer's right, title and interest in any equipment, goods or merchandise sold hereunder wherever located, and all replacements or proceeds of the same, until the invoice for the applicable equipment, goods or merchandise is paid in full, including any late charges and costs of collection. Customer consents to Kinsley's use of this Agreement, as well as product invoices, as financing statements for protecting this security interest and appoints Kinsley as Customer's agent for any necessary signatures on such filings and hereby authorizes Kinsley, at Customer's expense, to take such action as may be necessary to perfect and protect Kinsley Power Systems' security interest, including the filing and/or recording of Uniform Commercial Code Financial Statements, and grants Kinsley the right to execute Customer's name thereto. Customer agrees to pay or reimburse Kinsley for any searches, filings, recording or stamp fees or taxes arising from the filing or recording of any such instrument or statement. In the event of a default by Customer of any of its payment obligations hereunder, Kinsley shall be entitled to any of the rights and remedies provided by law. Customer will not change its name, principal place of business, or state of incorporation without Kinsley Power Systems' prior written consent and Customer will notify Kinsley in writing of any change in the location of any other place of business prior to making such change, and of the acquisition of any new place of business prior to such acquisition. Customer shall at its expense protect and defend Kinsley Power Systems' rights against all persons claiming against or through Customer at all times keeping the equipment goods or merchandise sold hereunder free from any legal process or encumbrance whatsoever, including, but not limited to liens, attachments, levies and executions, and shall give Kinsley immediate written notice thereof and shall indemnify and hold Kinsley harmless from any loss caused thereby.

3.0 LIMITED WARRANTY STATEMENT

Kinsley makes no express or implied warranties including without limitation, implied warranties of merchantability and fitness for particular purpose on equipment or devices obtained from a manufacturer. There are no warranties which extend beyond the terms and conditions stated herein. Furthermore, there are no warranties that extend beyond the description on the face hereof or contained in the Related Agreements. Kinsley does not warrant, either expressly or implied any equipment, parts, or devices. The Customer's sole remedy is the warranty of the manufacturer. At the Customer's request, Kinsley may furnish specific manufacturer's express limited warranty policies. The Customer accepts the goods sold "as is" and "with all faults" except as provided by the warranty of the manufacturer of the goods sold.

Kinsley may provide technical information or advice to assist the Customer in the proper application and utilization of equipment or systems, in which case Kinsley disclaims all warranties, express or implied, including without limitation implied warranties of merchantability and fitness for a particular purpose, or compliance with governmental regulations.

SOLE LIMITED WARRANTY BY KINSLEY. Kinsley warrants that for ninety days beginning on the date of invoice, service labor by Kinsley technicians shall be free from defects in workmanship. This warranty does not cover damage due to external causes including accident, abuse, misuse, problems with electrical power, servicing not authorized by Kinsley, usage not in accordance with product instructions, failure to perform required preventive maintenance, and problems caused by use of parts and components not supplied by Kinsley. This warranty does not cover replacement or repair of materials due to normal wear. Kinsley Power Systems' responsibility is limited to repair or replacement at its designated facility, in which case the decision shall be in the sole judgment of Kinsley.

IN NO EVENT SHALL KINSLEY BE LIABLE FOR ANY SPECIAL, INDIRECT, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE LOSSES OR DAMAGES (INCLUDING, WITHOUT LIMITATION, BUSINESS INTERRUPTION, REVENUE OR PROFITS, FEES OR FINES), EVEN IF KINSLEY HAS BEEN ADVISED OR MADE AWARE OF THE POSSIBILITY OF ANY SUCH LOSSES OR DAMAGES AND REGARDLESS OF WHETHER THE CLAIM IS BASED ON CONTRACT, TORT, STRICT LIABILITY, OR OTHER THEORY OF LIABILITY.

Kinsley Power Systems' cumulative liability for all losses and damages under these General Terms and Conditions or under any of the Related Agreements (including, without limitation, those arising out of contract tort (including negligence), strict liability, warranty, or other theory of liability) shall not exceed (a) in the case of any services provided or to be provided by Kinsley, the amount of the fees payable by Customer for such services under the applicable Related Agreement, and (b) in the case of any products or devices provided or to be provided by Kinsley, the amount of Kinsley Power Systems' labor services associated with the product sale.

Kinsley does not accept liability beyond the remedies set forth in this warranty statement or liability for incidental or consequential damages, including without limitation any other liability. Kinsley makes no express warranties beyond those stated in this warranty statement. Furthermore, no personnel of Kinsley are authorized to make warranties of any nature, orally or otherwise. All additional warranties must be in writing and signed by authorized personnel of Kinsley in order to be binding upon Kinsley.

4.0 Indemnification. Customer shall save harmless, indemnify, and at Kinsley Power Systems' option, defend Kinsley, and or persons in Kinsley Power Systems' control , if any, from and against any and all liability, liens, claims, demands, damages, expenses, fees, costs, fines, penalties, suits, proceedings, actions and causes of action of any kind and every kind and nature arising or growing out of or in any way connected with Kinsley Power Systems' performance in selling, repairing, evaluating, starting up, testing and/or related to ongoing maintenance or repairs as either required by ongoing maintenance agreements or specific job requests.

5.0 Waiver of Subrogation. Customer and all parties claiming to be related to customer hereby agree to release and discharge Kinsley from all claims and or liabilities arising from or caused by any casualty or hazard which may arise out of or in connection with activities associated with Kinsley Power Systems' work on equipment or premises as specified by the attached documents, and customer agrees to waive any right of subrogation which might otherwise exist in or accrue to any person on account thereof and further agree to evidence such waiver as may be required by customers' insurance policies.

6.0 Acknowledgment. The Customer acknowledges that it engages in the conduct of trade or commerce and is a business entity. The Customer acknowledges that this transaction is in a business context and is not for personal services or for personal goods sold or delivered as a consumer.

Acceptance

_____ _____

Signature (Duly Authorized) Date

Printed Name: Title:

Customer: