



General Terms and Conditions

TERMS AND CONDITIONS CONTROL. The following terms and conditions (these "Terms and Conditions") are agreed to by Variable Operations Technologies, Inc. ("Seller") and the buyer ("Buyer"). Seller's acceptance of any order is subject to these Terms and Conditions. No contrary, additional, or different terms, provisions, or conditions shall be binding on Seller unless accepted by Seller in writing.

COMPLETE AGREEMENT. This document represents the full and final agreement of the parties regarding these Terms and Conditions.

MODIFICATION. Buyer understands and agrees that (a) no modification or waiver of these Terms and Conditions shall be effective unless made by an authorized representative of Seller in writing addressed to Purchaser and specifically referring to these Terms and Conditions; (b) no course of action on the part of Seller shall be deemed to modify these Terms and Conditions; and (c) Seller's acknowledgment or acceptance of anything in writing from Buyer which is in conflict with these Terms and Conditions (including any purchase order forms containing different terms or conditions) and any subsequent delivery of Goods shall not constitute a modification or waiver of these Terms and Conditions.

ORDER ACKNOWLEDGEMENT. Seller will provide an Order Acknowledgement to the Buyer, which will include a drawing number and revision number. It is the Buyer's responsibility to check acknowledgements for accuracy. Buyer shall accept or reject Seller's order acknowledgement within 24 hours from the date thereof. Buyer's acceptance of any order acknowledgement shall result in a binding contract of sale.

TERMS OF PAYMENT. The purchase price for the Goods sold shall be as shown on the Seller's invoice, F.O.B. Origin, unless otherwise agreed to in writing by the parties. The purchase price shall be payable in United States currency in accordance with the Terms outlined in the invoice. ACH and wire-transfer information will be provided upon request. All invoices rendered in accordance with the agreed Terms which are not paid within the stated Terms, shall be subject to interest at the rate of 4% per month from the date of the invoice until it is paid. Payment by credit card is also accepted, with a charge of 4% of the invoice total added to it. For any returned checks, customer is responsible for any bank fees.

DELIVERIES & RETURNS. Seller's Order Acknowledgements provide an expected delivery date; however, this date is an estimate only and is subject to change based on receipt of materials from the customer, or from supplier, or other circumstances beyond Seller's control. Buyer is responsible for all shipping charges and shall advise preferred shipping method on each purchase order. All Goods are sold FOB Origin with Buyer to bear all delivery costs. Seller's risk of loss terminates upon tender. Buyer shall bear all risk of loss with respect to the Goods once the Goods are transferred to the Buyer at FOB Origin, unless otherwise agreed to in writing by the parties. All shipment (quantity, etc.) discrepancies must be reported within three (3) business days of

receipt of Goods. Failure by the Buyer to report and document any claims of product inaccuracies within three (3) business days of delivery, shall constitute acceptance of the product. Buyer must document/photograph any shipping damages and notify Seller within 24 hours. Title to the Goods passes to Buyer upon full receipt of payment by Vo-Tech, Inc. For any returns, Buyer should, within the three business days, send a request to: Shipping@vo-tech.net. The request should include Buyer's PO number, a copy of the packing list, part number, the quantity to be returned, and the reason for the return. Once the request is approved, the Seller will inspect the returned parts. Upon completion of inspection, Seller will determine whether parts should be repaired or replaced and/or whether a full credit should be issued. If parts are returned due to customer error (wrong drawing, for example), Buyer will be charged a 15% restock fee.

WARRANTY. Seller makes every effort possible to ensure that its' Goods meet the highest possible standards of quality and durability. All Goods manufactured by Seller are warranted to the Buyer to be free from defects upon delivery and within the three (3) business-day inspection period. Electronics, motors, and other parts that are not manufactured by Vo-Tech, are subject to original manufacturers' warranty terms, if any. This warranty does not apply to defects due, directly, or indirectly, to misuse, abuse, negligence, accidents, unauthorized repairs, alterations, lack of maintenance, acts of nature, or items that would normally be consumed or require replacement due to normal wear. In no event shall Seller be liable for death, personal or property injury, or damages arising from the use of its products. NOTWITHSTANDING ANY PROVISION HEREIN TO THE CONTRARY, THE WARRANTY CONTAINED IN THIS SECTION AND THE EXPRESS WARRANTY OF GOOD TITLE ARE THE ONLY WARRANTIES EXTENDED BY SELLER IN CONNECTION WITH THE GOODS AND ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. In no event shall Seller be liable for any warranty claim arising from vandalism, usage that the Goods were not originally intended for, or other misuse, neglect, or improper maintenance. Buyer must give written notice of a warranty claim hereunder within said period or Buyer will be deemed to have unconditionally accepted said Goods. Goods returned to Seller without Seller's consent will be held at the risk and expense of Buyer.

SALES. The following applies to all Vo-Tech Sales:

1. All orders must be sent to: orders@vo-tech.net. If you do not receive an Order Acknowledgment via email within 48 hours, please call 815.479.8528 to confirm. Until an Order Acknowledgement is generated and sent, Seller has not accepted the order and Buyer may not presume that the order will be honored. It is the customer's responsibility to advise Vo-Tech within 24 hours of receipt of the OA of any discrepancies. Vo-Tech is not responsible for any damages as a result of the customer not supplying the correct information.



2. Buyers who have not previously purchased from Seller, must complete a credit application, which must be approved, in writing by Seller, prior to placing any binding order for Goods. Buyer's credit application will be kept on file for at least three years, and Seller may, at its sole discretion, request an updated credit application as a condition to any subsequent order for Goods.
3. Change Orders & Cancellations: Customer may issue, in writing, a change order or cancellation request up until two (2) business days following receipt of the Order Acknowledgement. Any change order or cancellation issued may result in the customer being charged any costs Vo-Tech incurs up to that point. Change orders which change the scope and/or cost of the original order acknowledgement, even if requested within the 2-day period, will be requested.
4. If Seller was contracted to reverse engineer and/or design certain Goods per Buyer's provided specifications and information, the Seller is not responsible for the consequences of missing or incorrect information in the specifications provided by Buyer. If Buyer was shown a "model" by Seller, such model was used merely to illustrate the general type and quality of Goods sold by Seller and not to represent that the Goods would necessarily conform to such model or sample.
5. If Seller agrees to use any Buyer-supplied materials or components in any manufactured Goods, the Buyer acknowledges that they are solely responsible for the quality, durability, fit and function of the materials or components of the end-product. Buyer acknowledges that Seller shall not be responsible in any way for materials or components which Seller did not select and provide.
6. In instances where Buyer's order is for "Assembly" work, sometimes portions of the Assembly are assigned or outsourced by the Buyer to a different vendor. In these cases, Seller is not responsible for the outsourced parts that do not look or work in a manner expected by the Buyer.
7. Buyer acknowledges that any Goods purchased may contain hazardous chemicals or other hazardous materials which may be or may become, by chemical reaction or otherwise, directly, or indirectly hazardous to life, health, or property (by reason of toxicity, flammability, explosiveness, or for other similar or different reasons during use, handling, cleaning, reconditioning, disposal or at any other time after the article leaves the possession and control of Seller). Buyer does hereby discharge Seller from any and all liability, directly or indirectly resulting from the presence of the aforesaid chemicals or materials, including but not limited to any and all liability, directly or indirectly resulting from the failure of Seller to give more specific warning with respect to individual articles or substances or from the inadequacy of any warning.

DISCLAIMER OF LIABILITY. Buyer acknowledges that the Goods sold herein may be dangerous if improperly used. Seller will not be responsible for any loss or injury resulting from defects or alleged defects in the Goods sold or from the subsequent use of the items. Buyer should urge its employees or customers to comply with all directions set forth in any supplied manuals or instructions

for the safe operation and use of the Goods and shall use and urge its employees or customers to use reasonable care and all necessary safety precautions in the operation, use, and maintenance of the Goods. Buyer shall not remove or permit anyone else to remove any safety guards, devices, or warning signs. Buyer acknowledges that all Goods purchased (especially those without supplied manuals or instructions) are used at their own risk. Seller shall not be liable to Buyer or any third parties for, and Buyer expressly agrees to indemnify, defend, and hold Seller harmless against, all claims, losses, liabilities, damages, penalties, costs, and expenses (including reasonable attorneys' fees and costs of litigation), whether for personal injury, death, damage to property or the environment or otherwise, arising from, connected with or related to the operation, use and/or maintenance of the Equipment or Goods.

INDEMNIFICATION. Buyer hereby agrees to defend, indemnify and hold harmless Seller its directors, officers, employees and other agents and representatives from and against any and all liabilities, judgments, claims, settlements, losses, damages, penalties, obligations and expenses, including attorney's fees and expenses and other professional fees and expenses, incurred or suffered by such person arising from, by reason of, or in connection with (a) Buyer's breach of its representations, warranties or duties under these Terms and Conditions, or (b) Buyer's negligence or willful misconduct, or (c) any loss, damage or injury to person or property arising from, by reason of or in connection with the Goods sold hereunder. This indemnification shall survive delivery of the Goods to Buyer and any subsequent sale or other transfer of the Goods to a third party.

INSURANCE AND SAFETY RULES. Buyer shall not move, load, transport or otherwise handle the Goods on Seller's premises without first having obtained insurance coverage satisfactory to Seller. Such insurance shall include "Workers Compensation", employer's liability, public liability (bodily injury, property damage and contractual liability) and automobile liability (bodily injury and property damage) insurance. Certificates of Insurance evidencing the insurance coverages shall be furnished to and shall be approved by Seller. Buyer shall comply with Seller's facility Safety Rules and Regulations.

FORCE MAJEURE. Seller's ability to provide or ship the Goods may be affected in case of an act of force majeure, such as an act of God, war, sabotage, accidents, riots, fire, explosion, flood, strike, lockout, injunction, inability to obtain fuel, power, raw materials, labor, containers or transportation facilities, accident, breakage of machinery or apparatus, national defense requirements, or any other cause beyond the control of Seller. Seller shall have no liability for the failure to ship or deliver goods in the event of such force majeure and Seller's obligation to complete the delivery of Goods shall be suspended during such force majeure event and for a reasonable period thereafter; provided, however, that these Terms and Conditions shall otherwise remain in effect.

BUYER'S CREDIT. In the event Buyer fails to remit payment for any one delivery of Goods when same becomes due, Seller reserves the right, among other remedies, to terminate the active contract or to suspend further deliveries. Should Buyer's financial responsibility become unsatisfactory to Seller, cash payments or



securities satisfactory to Seller, in its' sole and absolute discretion, may be required of the Buyer by the Seller before future deliveries of Goods are sent to the Buyer.

LIMITATION OF DAMAGES. Seller's liability with respect to Goods sold to Buyer shall be limited to refunding any payments made by Buyer (i) with respect to Goods returned to and accepted by Seller or (ii) with respect to Goods ordered but not shipped by Seller upon Seller's cancellation of the order. In no event shall Seller be liable for incidental, special, or consequential damages, lost profits, or any expenses of Buyer, including, but not limited to, shipping costs.

ASSIGNMENT. Buyer may not assign its' rights or delegate its performance, in whole or in part, under these Terms and Conditions or any invoice without the prior written consent of Seller and any attempted assignment or delegation without such consent shall be void.

GOVERNING LAW; DISPUTE RESOLUTION. All invoices and these Terms and Conditions shall be construed according to the laws of the State of Illinois. In the event any dispute arising out of or relating to any terms of these Terms and Conditions or the breach, termination or validity hereof cannot be resolved within thirty (30) days from notice from one party to the other party, said dispute shall be settled by mediation and, if necessary, legally binding arbitration conducted by a conciliation or alternative dispute resolution service appointed by the parties or if, within ten (10) days after the expiration of said thirty (30) day period, the parties have not agreed on such appointment, as appointed by Seller's counsel. Judgment upon an arbitration decision may be entered in any court otherwise having jurisdiction. The parties understand and agree that these methods shall be the sole and exclusive remedy for any such dispute and expressly waive their right to file a lawsuit in any civil court or proceeding in any administrative body against one another for such disputes, except to enforce an arbitration decision.

TAXES. All taxes assessed to any order are the responsibility of Buyer, including, but not limited to, local and regional sales taxes and personal property tax, or if applicable, Buyer is to provide Seller with a valid tax exemption certificate. If Buyer either fails to pay the tax or other charges as agreed above or fails to provide a valid exemption certificate, Buyer agrees to indemnify and hold Seller harmless from any liability and expense by reason of Buyer's failure. Such indemnification shall include, but not be limited to, attorneys' fees and/or other legal expenses relating to such failure.

REPAIR. Seller is not obligated to do any repair work or modifications upon the delivery of the Goods. Any repair work or modifications performed by Seller on the Goods prior to completed sale shall be performed as a result of the sole request of Buyer using designs and instructions provided by Buyer.

Accordingly, Seller shall not be liable for any alleged damages caused by or resulting from the repairs or modifications.

SEVERABILITY. If any provision of the invoice or these Terms and Conditions is determined illegal or unenforceable, it shall not affect the enforceability of any other provision or paragraph of the invoice or these Terms and Conditions.

FEES AND COSTS. In the event any party institutes proceedings to enforce its respective rights arising out of the invoice and these Terms and Conditions, the prevailing party shall be entitled to the award of attorneys' fees and court costs, plus cost of executing, enforcing and/or collecting any judgment at all trial and appellate levels.

NO STRICT CONSTRUCTION. The parties hereto acknowledge and agree that this document has been freely negotiated by them and the language used herein shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied for or against any party hereto. The parties hereto understand, agree, and acknowledge that, in any controversy, dispute or contest over the meaning, interpretation, validity or enforceability of this document, there shall be no inference, presumption or conclusion drawn whatsoever for or against any party hereto by virtue of that party or its agent having prepared this document or any portion hereof.

AUTHORIZATION. Buyer is duly authorized to execute and deliver these Terms and Conditions and purchase the Goods pursuant hereto. No consent, approval, or authorization of, or declaration or filing with, any governmental authority, and no consent, approval or authorization by any other person or entity, is required in connection with Buyer's execution and delivery of these Terms and Conditions or purchase of the Goods pursuant hereto.

ENTIRE AGREEMENT. Unless superseded by a specific signed agreement between Buyer and Seller, these Terms and Conditions shall constitute the entire agreement of the parties about the subject matter contained herein, for all current and future orders between Buyer and Seller. These Terms and Conditions may not be modified, except by a mutually signed written agreement by the two parties.