

TERMS AND CONDITIONS OF SALE

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NOTICE TO BUYER: ALL OFFERS AND ANY RESULTING CONTRACTS ARE LIMITED TO AND GOVERNED BY THESE TERMS AND CONDITIONS OF SALE. THESE TERMS AND CONDITIONS SHALL SOLELY AND EXCLUSIVELY GOVERN ALL SALES.

I. SKYL-TECH's Quotation

A. SKYL-TECH's quotation constitutes an offer for the sale of Products (the "Offer") and is based on all of the terms and conditions contained herein.

B. Any purchase order or other form of acceptance issued by Customer shall result in a contract for the purchase of the Products at the price quoted in the Offer. The resulting contract shall include all of the terms set forth in this Offer and in any of SKYL-TECH's

subsequent documents signed by SKYL-TECH and included in the contract all of which are hereafter called "SKYL-TECH's Terms." Customer shall be deemed to have accepted any of SKYL-TECH's Terms. Customer's issuance of a purchase order which in effect rejects some or all of SKYL-TECH's terms by virtue of Customer's standard form language shall not be sufficient objection. SKYL-TECH's failure to further object to the standard terms and conditions of purchase set forth in any or all of Customer's contract documents shall not be construed as an acceptance of the same. Any terms in Customer's purchase order or any other document of acceptance which are different from or additional to SKYL-TECH's Terms are hereby specifically rejected and shall not become part of the contract.

C. SKYL-TECH reserves the right to withdraw or modify any and all quotations at any time prior to acceptance by Customer. In the event that SKYL-TECH issues more than one quotation pertaining to the same Products, the quotation latest in time shall control and all prior quotations shall be deemed withdrawn. Withdrawal of any quotation shall not reinstate the terms of any prior quotation. However, a later quotation may modify a prior quotation, preserving the prior quotation to the extent stated on the face of the later quotation form.

D. No course of dealing, custom, or usage which is contrary to SKYL-TECH's Terms shall apply.

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II. Errors

SKYL-TECH reserves the right to correct any typographical or clerical errors which may be present in prices, specifications, quotations, or acknowledgments.

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III. Financial Condition

If Customer's financial condition at any time does not, in SKYL-TECH's sole opinion, justify manufacture or shipment of Products hereunder on the agreed terms of payment, SKYL-TECH may require full or partial payment in advance.

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IV. Prices

Prices published or quoted by SKYL-TECH are subject to changes without prior notification. All prices are based on U.S. dollars. Shipment is F.O.B. North Plainfield, New Jersey, United States of America with Freight Prepaid by SKYL-TECH and added to Customer's Invoice. Prices do not include any handling, freight, or delivery charges or taxes (sales, excise, use, etc.) or any export or import duties imposed by any country which may be applicable to the sale of the Products. Such handling, freight, or delivery charges or taxes or duties, if applicable, will be paid by Customer, and Customer hereby expressly agrees to indemnify and hold SKYL-TECH harmless from any claims, loss, damage, liability, or expense with regard to the payment of any such freight, delivery charges, taxes, or duties.

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V. Payments, Title, and Security Interest

A. Unless otherwise specified by SKYL-TECH in writing, payments for Products received in domestic shipment shall become due thirty (30) days from the date of SKYL-TECH's invoice. Payments for Products received in international shipment shall become due ten (10) days from the date of SKYL-TECH's invoice.

B. Should Customer delay payment beyond the date it is due, interest may be charged on the unpaid balance at the rate of one and one-half (1 1/2 %) percent per month, or at the maximum rate allowed by applicable state laws, whichever is less.

C. Payments must be by check, bank transfer or wire transfer in U.S. dollars. Checks drawn on international banks must have a branch in the U.S. The check must contain a U.S. routing number. Checks drawn on banks not meeting these requirements will incur a processing fee of \$50.00.

D. Title shall not pass to Customer until SKYL-TECH receives payment in full and SKYL-TECH shall have a security interest in all Products.

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VI. Taxes

Taxes are not included in the purchase price of Products. In addition to any price specified herein, Customer shall pay gross amount of any present or future sales, use, excise, value-added or other similar tax applicable to the price, sale, or delivery of any Products furnished hereunder or to their use by SKYL-TECH or Customer, or Customer shall furnish SKYL-TECH with a tax-exemption certificate acceptable to the taxing authorities.

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VII. Cancellation

A. Cancellation or suspension of the order after acceptance by SKYL-TECH may be made only on terms which will compensate and indemnify SKYL-TECH against loss due to cancellation.

B. It is understood and agreed between Customer and SKYL-TECH that if this agreement covers products (or materials) that must necessarily be manufactured especially for Customer and this agreement is suspended or terminated for any reason, Customer will take delivery of and make payment for such products as have been completed and such as are in process on the date reason, Customer will take delivery of and make payment for such products as have been completed and such as are in process on the date notice of suspension or termination is received by SKYL-TECH; provided that, if Customer for any reason cannot accept delivery of the such products, he will make payment therefore as though delivery had been made and SKYL-TECH will store such products for Buyer's account and at Customer's expense.

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VIII. Shipment, Delivery, and Performance

- A. Any shipment, delivery, or performance date stated in SKYL-TECH's quotation and/or contract documents is approximate only and does not constitute any guarantee of shipment, delivery, or performance on any particular date.
- B. Notwithstanding the reservation of title by SKYL-TECH, risk of loss or damage to all Products shall pass from SKYL-TECH to Customer upon delivery to Customer's premises at the tailgate of the carrier. Any claims for loss or damage occurring after release of possessions by the carrier will be solely the responsibility of Customer.
- C. SKYL-TECH will attempt to package, load, and prepare all shipments with care in an attempt to assure arrival in good condition at the destination. However, SKYL-TECH cannot control the manner in which the Customer moves or handles the shipment and will not be responsible for damage caused by Customer.
- D. All orders will be shipped via UPS. Upon request, and for a processing fee, orders may be shipped via an alternative carrier when possible.
- E. We are pleased to extend payment terms of Net 30 days to all customers who have established an open account with Skyl-Tech. All shipments will be F.O.B. North Plainfield, New Jersey, United States of America. For new customers without an established account, Skyl-Tech will process orders on a prepaid basis by bank or wire transfer.
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IX. Delays

SKYL-TECH shall not be responsible to Customer or any third party for any damages resulting from failure or delay in manufacturing or shipping Products due to any cause beyond the reasonable control of SKYL-TECH. SKYL-TECH shall not be responsible for any liquidated damage or penalty as a result of a delay in delivery.

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X. Disclosure of Information

Any information, suggestions, or ideas transmitted by Customer to SKYL-TECH in connection with the performance of this Agreement are not to be regarded as secret or submitted in confidence, except as may be otherwise provided in writing, signed by a duly authorized representative of SKYL-TECH.

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XI. Miscellaneous Provisions

A. At Customer's request, SKYL-TECH may furnish such technical assistance and information as it has available with respect to the use of the products (or material) covered by this agreement. Unless otherwise agreed in writing, buyer assumes sole responsibility for results obtained in reliance on all such technical assistance.

XII. Product Sales Warranty

A. In the course of discussions with customer, SKYL-TECH may offer suggestions on the use of our Products. Nevertheless, SKYL-TECH only warrants that the Products manufactured by it will be as specified in Product literature and free of defects.

B. Unless otherwise stated on Product literature, all new Products manufactured by SKYL-TECH, except thermocouples, are warranted to the original Customer to be free from defective materials and workmanship for a period of one (1) year from date of shipment. Thermocouples are warranted to the original Customer to be free from defective materials for a period of thirty (30) days from date of shipment. Any Products sold but not manufactured by SKYL-TECH are guaranteed only to the extent that either SKYL-TECH or Customer is able to recover under the original manufacturer's warranty. This warranty cannot be transferred or assigned to third parties. It is limited to Customer only.

C. SKYL-TECH's obligation under this warranty may, at its option, be discharged by furnishing similar Products or repairing or replacing at its option and, without charge, at any location designated by it, any Product of its own manufacture which SKYL-TECH's examination shows to have failed under proper installation, use, and maintenance due to defect. However, SKYL-TECH must be promptly notified of such defects upon occurrence and in no event later than thirty (30) days after expiration of the one (1) year warranty period. The Products claimed to be defective are, at the option of SKYL-TECH, to be delivered prepaid to SKYL-TECH at a location designated by SKYL-TECH with evidence that they have been properly installed, maintained and used by the original Customer. Products may be returned to SKYL-TECH only after previous notice to, and written authorization from, SKYL-TECH. Defective parts replaced under this Warranty shall become the property of SKYL-TECH.

D. Because Skyl-Tech products may come into contact with hazardous materials at the Buyer's site, for safety reasons, the Buyer will clean all used items prior to return to Seller for any reason (including but not limited to repair, refurbishment or modification), and will furnish Skyl-Tech with written documentation concerning all relevant handling and safety information.

E. This warranty shall not apply to Products which have been improperly applied or installed, or which have been altered, misused, abused, damaged, or not properly maintained.

F. THIS WARRANTY IS THE EXCLUSIVE WARRANTY GIVEN BY SKYL-TECH AND IS IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, EXPRESSED OR IMPLIED. THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE HEREBY EXPRESSLY EXCLUDED BY SKYL-TECH. SKYL-TECH NEITHER ASSUMES, NOR DOES IT AUTHORIZE ANY OTHER PERSON TO ASSUME ON ITS BEHALF, ANY OTHER LIABILITY IN CONNECTION WITH THE SALES OF ITS PRODUCTS OR SERVICES.

F. The warranty cannot be transferred or assigned to third parties. It is limited to the purchaser only. All warranties are considered null and void upon transfer unless the intent to

transfer to a third party is expressly indicated in a purchase order or the customer is a known OEM of SKYL-TECH's products.

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XIII. Limitations of Liability and Indemnity

A. THE REMEDIES OF CUSTOMER SET FORTH HEREIN ARE EXCLUSIVE AND THE TOTAL LIABILITY OF SKYL-TECH WITH RESPECT TO THE OFFER, WHETHER BASED ON CONTRACT, WARRANTY, NEGLIGENCE, INDEMNIFICATION, STRICT LIABILITY, OR OTHERWISE, SHALL NOT EXCEED THE PURCHASE PRICE OF THE PRODUCT UPON WHICH LIABILITY IS BASED. IN NO EVENT SHALL SKYL-TECH BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, OR SPECIAL DAMAGES.

B. PRODUCTS SOLD BY SKYL-TECH ARE NOT INTENDED TO BE USED, NOR SHALL THEY BE USED, AS A "BASIC COMPONENT" UNDER 10 CFR 21 (NRC). SHOULD THESE PRODUCTS BE USED IN OR WITH ANY NUCLEAR INSTALLATION OR ACTIVITY, CUSTOMER WILL INDEMNIFY SKYL-TECH AND HOLD SKYL-TECH HARMLESS FROM ANY LIABILITY OF DAMAGE WHATSOEVER ARISING OUT OF THE USE OF THESE PRODUCTS IN SUCH A MANNER.

C. PRODUCTS SOLD BY SKYL-TECH ARE NOT INTENDED TO BE USED, NOR SHALL THEY BE USED, FOR MEDICAL APPLICATIONS OR FOR USE ON HUMANS. SHOULD THESE PRODUCTS BE USED FOR MEDICAL APPLICATIONS OR FOR USE ON HUMANS, CUSTOMER WILL INDEMNIFY SKYL-TECH AND HOLD SKYL-TECH HARMLESS FROM ANY LIABILITY OF DAMAGE WHATSOEVER ARISING OUT OF THE USE OF THESE PRODUCTS IN SUCH A MANNER.

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XIV. Entire Contract and Interpretation

A. Each of the paragraphs in this Agreement will apply to the full extent permitted by law. The invalidity, in whole or in part, of any paragraph will not affect the remainder or any other paragraph.

B. This agreement (including any specifications or other documents incorporated by reference) constitutes the entire contract and understanding between Customer and SKYL-TECH concerning the subject hereof and supersedes previous agreements and addenda, and any representation, promise, course of dealing or trade usage not contained herein will not be binding. This agreement (including any specifications or other documents incorporated by reference) shall supersede and prevail over any term in any other contract, agreement or other document relating to the matters addressed herein.

C. No modification, amendment, rescission, waiver, or other change of this Agreement or any part thereof shall be binding on SKYL-TECH unless assented to in writing by

SKYL-TECH's authorized representative.

D. The validity, performance, and all matters relating to the interpretation and effect of this agreement and any amendment hereto shall be governed by the laws of the State of New Jersey.

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