

# SATURN

Sales by Saturn Enterprises, Inc. ("Saturn") are subject to the following terms and conditions. No terms or conditions appearing in buyers purchase orders that are contrary to the following terms and conditions shall be binding on Saturn unless specifically agreed to in writing.

**Credit Approval:** All orders require credit approval prior to acceptance. Any order containing terms of payment, that have not specifically been agreed to in writing prior to receipt, will be held pending clarification of terms, and receipt of documents confirming mutually agreed terms.

Orders to open account shipment will be held pending receipt of all necessary credit information required to extend open account terms. Orders from customers who have not had previous credit approval can be processed immediately if a check for the appropriate amount accompanies the order.

**Terms of Payment:** Open account payment terms are net 30 days with no discounts or retainages. These terms are available only on qualified domestic sales.

**Shipments:** All shipments are made F.O.B. shipping point with full freight allowed or prepaid and add (as applicable) to any point in the contiguous United States. Delivery to the initial carrier constitutes delivery and passage of title to the Buyer. Incident to the passage of title, the Buyer assumes all responsibilities of ownership, including but not limited to control, risk of loss or damage; regardless of the time or method of shipping, the form of the shipping documents, the consignee, the method of insuring or the terms or method of payment. The terms F.O.B., F.A.S., C.I.F., etc. refer only to the price and not to the time or place the title to the products passes from Saturn to Buyer.

**Delivery:** Scheduled shipping dates shown in Saturn's order acknowledgments are approximate and represent the best estimate of shipping date at the time the order is processed. Saturn assumes no obligation to ship on the scheduled date or to advise the Buyer that shipment will be delayed. Saturn shall have no liability for any liquidated damages or penalty whatsoever because of failure to ship as scheduled unless specifically agreed to in writing.

**Shortages or Deficiencies:** Any shortages or deficiencies in material shipped must be reported within 14 calendar days after receipt to be considered by Saturn for adjustment.

**Warranty:** Only Saturn's standard "Limited Product Warranty" will apply to new product sales.

**Proposals & Price Quotations:** Any quotation from Saturn to Buyer will be an invitation for an offer from Buyer upon the terms and conditions as stated. Such offer will be accepted only if it is in accordance with these terms and conditions. Saturn's acceptance of Buyer's order as evidenced by Saturn's order acknowledgment is expressly made conditional on Buyer's agreement to all of the terms and conditions stated, and Saturn agrees to furnish the products ordered by the Buyer only upon these terms and conditions.

**Prices:** Unless otherwise specifically agreed, prices are valid for goods required for delivery within 60 days of acceptance only. Thereafter, Saturn will notify Buyer of any price change prior to delivery.

**Resale & Reshipments:** The Buyer agrees that products purchased will not be reshipped or resold to any persons or places prohibited by the laws of the United States of America.

**Return of Material:** Almost all Saturn products are fabricated to a customer's specific order. Saturn does not maintain a stock of products. Therefore, return of material for credit can not be allowed. No material is to be returned for any reason without prior written authorization from Saturn, within the terms of our warranty. Any returned material must be accompanied by a Return Material Authorization Form issued by Saturn covering the specific transaction. Material must be returned "Freight Prepaid" unless Returned Material Goods Authorization Form specifically authorizes shipping "Freight Collect."

## STANDARD TERMS AND CONDITIONS OF SALE

**Product Changes:** Because of a continuous program of product improvement and uncontrollable factors such as unavailability of certain materials, Saturn reserves the right to make reasonable changes in product design and to supply products of revised design against any order without notice.

**Changes to Order Released for Fabrication:** Orders may be changed in size and quantities, if made at any time prior to starting of fabrication. Charges for these changes would be assessed relative to the expenses involved. Changes after fabrication has begun will result in charges deemed appropriate by Saturn to recover the cost of material and labor expended that can not be utilized because of the change. When shipment of an order is delayed at Buyer's request after material has been ordered or fabrication has begun, partial payment may be required at Saturn's option in an amount based on the purchase price and the percentage of work completed at the time delay in shipment was requested. Equipment on which shipment is delayed at the request of the Buyer may cause Saturn to incur storage or warehousing expense. In this instance a charge determined appropriate by Saturn may be made to the Buyer to offset this storage or warehousing expense.

### Limitation of Liability: In no event shall Saturn or its subcontractors

or vendors be liable in contract, tort, warranty, strict liability or other legal theory for any special, indirect, incidental or consequential damages such as, but not limited to, loss of anticipated profits or revenues, nonoperation or increased expense of operation of other equipment, or cost of capital.

The remedies set forth herein are exclusive and the liability of Saturn with respect to any contract or anything done in connection herewith or from the manufacture, sale, delivery, repair, replacement or use of its products covered by or furnished hereunder, whether by contract, tort, warranty, strict liability or other legal theory shall not exceed the purchase price of the product upon which liability is based.

### LIMITED PRODUCT WARRANTY

Products not manufactured by Saturn will be warranted by Saturn only to the extent that they are warranted to Saturn by their manufacturer. Electric motor warranties and claims are administered by the motor manufacturer only. Saturn shall have no responsibility for the operation or performance of any products in any manner other than that which the product is usually tested and applied under industry standards, nor for any damage to a product from abuse, misapplication, unauthorized repairs, abrasion, erosion, corrosion, or the like due to abnormal temperatures, or the influence of foreign matter, nor for the design or operation of any system of which any product may be made a part, or for the suitability of any product for any particular application. Saturn shall not be liable for any cost or expense, including without limitation, labor expenses, in connection with removal or replacement of alleged defective equipment or any part or part thereof nor for incidental or consequential damages of any kind, or under any circumstances for any damage beyond the price of the goods sold.

THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES EXCEPT THAT OF TITLE, WHETHER WRITTEN, ORAL OR IMPLIED, IN FACT OR IN LAW (INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE). Correction of non-conformities, whether patent or latent, in the manner and within the period of time provided above, shall constitute fulfillment of all liabilities of Saturn whether based on contract, tort, strict liability or other legal theory with respect to Saturn's products. Saturn neither assumes, nor does it authorize any other person to assume on its behalf, any other liability in connection with the sale of its products.

©Saturn Enterprises, Inc. 2004