

Warranty and Support

Koorsen Manufacturing, Inc. will warranty workmanship on Connector Detector for a period of one year from delivery date.

Koorsen Manufacturing, Inc. guaranties machine to operate per the sequence and specification provided by Pinnacle Engineering (as the machine currently performs). Upon completion of testing and startup, Pinnacle Engineering will verify machine operation and commission said machine with serial number. Additional modifications required after commissioning, either hardware or software, will be provided per Pinnacle hourly rate schedule.

1. GENERAL

The following terms and conditions apply to all estimates, quotations and offers of Koorsen Manufacturing, Inc. (herein call the Seller) and all agreements arising therefrom except as varied by separate instrument, in writing, signed by the President or Vice President of Koorsen Manufacturing, Inc. The term "Equipment", as used herein, shall mean the machinery, equipment, attachments, parts and accessories to be provided by the Seller as set out by the Seller in writing per the supplied proposal. The Sellers agrees to supply equipment, hardware, software and labor as documented in the specific proposal. Any equipment, hardware, software or labor not specifically detailed, in writing, in the proposal is not included in the proposal price and the Purchaser further agrees that all modifications and omissions not in the proposal will be supplied at additional cost to the Purchaser.

2. TITLE

The Seller shall retain Title to Equipment and the Equipment shall remain the personal property of the Seller until the purchase price and interest and all costs and expenses arising hereunder are paid to the Seller in full. Purchaser agrees to execute all documents requested to establish and perfect Seller's security interest in the Equipment.

3. SHIPPING

For FOB Supplier shipments, Seller's responsibility in the delivery of the Equipment ceases with delivery to common carrier in good condition, which a receipt from the carrier shall conclusively presume . Identification shall occur and risk of loss shall be upon Purchaser at the moment of delivery of the equipment to common carrier for shipment to Purchaser. For FOB job site shipments, Seller shall be responsible for delivery to destination with the risk of loss upon Seller. Should any shipment reach the destination in damaged condition, it should not be accepted until the carrier's agent makes notation on freight documents of the damaged condition. Purchaser must notify Seller within ten (10) days of delivery of any damage in transit so a proper claim can be made against the carrier. Seller may procure a negotiable Bill of Lading to its order.

4. PAYMENT

Payment shall be made in accordance with the Seller's proposal and the terms contained there in, or as otherwise provided herein. All amounts bear interest at the maximum rate allowed by law, from the dates on which they are payable until actual payment is made. In the event of a claimed defect in Equipment, Purchaser shall continue to make payment when due, without set-off, and Purchaser's sole remedy shall be enforcement of the warranties thereunder. In the event of nonpayment by Purchaser, Seller may pursue its remedies at law or equity for Purchaser's default.

5. TAXES AND FREIGHT

Purchaser shall be liable for direct payment of any Federal, State or Local taxes or assessments of any nature and freight, including storage, unless agreed to be paid by Seller and separately stated in the Seller's proposal. Purchaser agrees to reimburse Seller for all shipping charges billed to Purchaser as separate items, unless stated separately in Seller's proposal.

6. CANCELLATION

Orders are not subject to cancellation by Purchaser without written consent of the President of Koorsen Manufacturing, Inc. In event of a Purchaser's request to stop or cancel any part of an order, and Seller consents, payment for work in process and work completed shall be paid for in full within 30 days of cancellation. Upon cancellation, the Purchaser agrees to pay for all Equipment supplied in Seller's proposal within 30 days of cancellation, unless agreed upon under separate document as signed by the President of Koorsen Manufacturing, Inc.

7. DELIVERY

Seller shall be excused for any delay in delivery, installation or any part delivery hereunder, if caused by fire, explosion, flood, epidemic, war, interruption or delay in transportation, labor dispute or any cause beyond its reasonable control.

In case of delay caused by Seller's default, Seller shall in no event be held responsible or liable for consequential damage. In case of delay caused by Purchaser's failure to furnish necessary information as to details to be determined by Purchaser, Seller may extend date for shipment for a reasonable time, based on period of Purchaser's delay and conditions at Seller's factories.

8. WARRANTY AND LIABILITY

Seller warrants material and workmanship hereunder for a period of one (1) year from the commencement of commercial operation of the Equipment. "Commercial Operation" shall mean the ability for initial production of marketable product through the Equipment. This warranty shall remain in effect, provided Equipment has been properly maintained during storage and maintained and operated under normal conditions and provided Purchaser notifies Seller in writing that a defect exists within ten (10) days of the discovery of the defect by Purchaser. Within the warranty period, Seller agrees to repair or replace, at Seller's option, any part of parts which in Seller's sole opinion are defective, when such parts are returned to Seller's plant with all shipping charges prepaid. Seller will assume no expense or liability for any repairs or alterations made by Purchaser or others without Seller's prior written consent. Any Equipment and/or accessories furnished by third parties are guaranteed only to the extent of the original manufacturer's guarantee to Seller, which Seller hereby assigns to Purchaser without recourse. Such warranty shall cease to be effective in the event of, and the Seller shall be under no responsibility for, or in respect of, faulty erection or installation, if the defect claimed has been caused by Purchaser or any third party, abnormal wear and tear, improper operation or maintenance contrary to operating instructions, alterations or repairs by anyone other than the Seller with the Seller's written approval, or damage or accidents caused by improper or violent treatment. Repair or replacement of Equipment shall not extend the original warranty on the Equipment or any part thereof.

The Seller makes no warranties or guarantees, statutory or otherwise, except as aforesaid. Seller shall in no event be liable for direct, indirect incidental, special or consequential damages, howsoever caused. Seller shall in no event be liable for loss of production, either production time or loss of product. It is understood that there are no other warranties of any sort, expressed or implied, as to merchantability, fitness for particular purpose, time of delivery, or any other matter with respect to the Equipment. The warranty provided above is the sole remedy of Purchaser for defects in the equipment.

9. INSURANCE

Unless otherwise stipulated in writing, Purchaser shall, from time of shipment of the Equipment until complete installation and full payment, insure for all of the Equipment against fire, windstorm, and extended coverage and shall provide Seller with a certificate of insurance for such insurance upon request. Any Sub-contractor, other than Seller's employees doing installation work shall provide proof of liability and worker's compensation insurance upon request. Whenever Koorsen Manufacturing, Inc. shall have in their possession property of the Purchaser for fabrication or otherwise required, KMI will be deemed the insurer thereof and shall be responsible for same until its acceptance by common carrier for shipment according to Purchasers instructions.

10. PLANS, SPECIFICATIONS AND TERMS

Plans supplied by the Seller remain the property of the Seller until an agreement is effected with Purchaser. Purchaser further agrees that the plans shall not be shown to third parties or duplicated or reproduced in any manner whatsoever. If an agreement is not effected with the Purchaser, all such plans shall be returned to the Seller upon demand and the Purchaser shall pay the Seller its customary charges for the preparation of such plans.

11. GOVERNING LAW

This Agreement shall be governed by and solely construed in accordance with the laws of the State of Iowa. Exclusive venue of any suit involving this Agreement shall be the Courts of Marshall County, Iowa.